THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

April 27, 1940

U.S., Japan Seen in Agreement on N.E.I.

An Editorial

Mr. Sayre's Visit to Japan

The Mitsuis in Politics

BY JOHN AHLERS

The Abe Mission in Nanking

Great Battle Said Looming in Norway; Allies, Nazis Intrigue in Balkans

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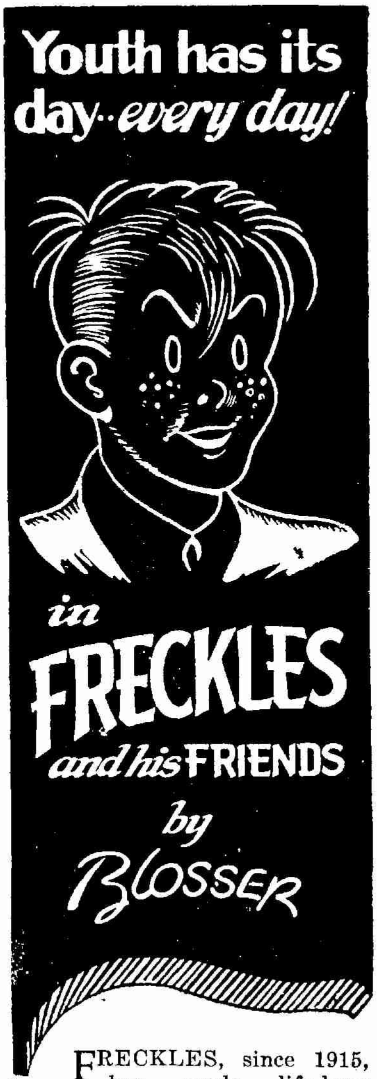

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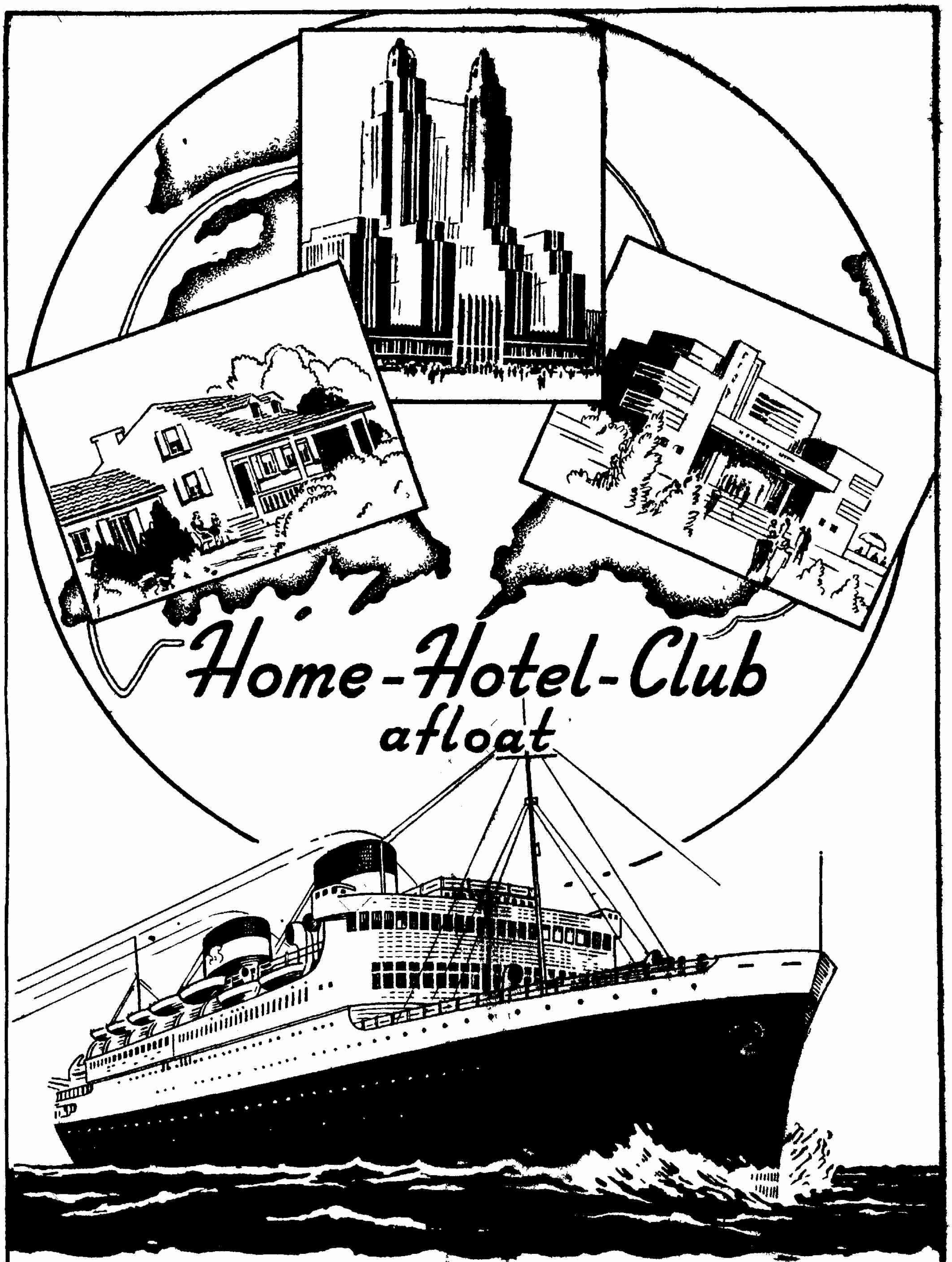
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What People Are Saying

Comments from readers on current topics are cordially invited; their opinions, however, do not necessarily represent the views of *The China Weekly Review*.

HOMECOMING

To the Editor

As we are sailing for China very soon, please stop sending **The China Weekly Review** to us here. The paper has been very useful.

What The Review said about the deterioration of conditions in Japan is quite true. I give Japan two years to clear out of China. I would like to see Japan stand another two years of this terrible financial strain! The results would be too interesting for words. Premier Yonai, I think, said that Wang Ching-wei's regime would gradually "absorb" the National Government in the West, and that Gen. Chiang Kai-shek's regime would "die out."

Poor Yonai, he had to deceive the Japanese people. What if the Wang regime fails to absorb China's leaders? I am willing to bet with Yonai. If Wang Ching-wei can absorb even three first-class leaders in Chungking today, or in this year of 1940, I would be willing to commit suicide. If Yonai and his puppet Wang fail, Yonai would have to commit suicide! But, of course, Yonai is Yonai and I am only a small potato. The Japanese will find out about this deceit in less than two months and then what will happen?

LIN YUTANG

New York City,
March 12, 1940

THE CRAIGIE SPEECH

To the Editor:

Ambassador Craigie's speech of March 28, 1940 in Tokyo first of all betrays his own country and every other country involved in this Sino-Japanese imbroglio, because Craigie knows too well that Japan got ample evidence that it has been England which exercised most of the so-called "extraneous subversive influence" to Japan's immutable "New Order in Asia," vide China's planned currency.

Thus, I consider the Craigie speech an over-sublimity of the first magnitude and an eleventh hour retrivance—a bit too late and too coward to save herself but too apt to degrade her national character both from the standpoint of international decency as well as derogatory to her diplomatic finesse, which in turn evoked the most unembellished condemnation from Washington.

S. Y. LIVINGSTON HU.

Tsun-yi, Kweichow,
April 7, 1940

LIVELIHOOD

To the Editor:

The news of the drafting of the constitution and the formation of constitutional government have been widely published. The common people hereabouts, naturally, are concerned about solving the problem of their livelihood. They are concerned primarily with good government, good politics, good order, equality, discipline and hope these things may be put into law and practice. Present high prices and the currency situation are vital issues.

Food is cheap in Chungking; one may live on $18 a month, but in Kunming the same would cost $30. Szechwan has literally been heaven on earth in the war of resistance. There has been shortage of rainfall in the Chengtu area, but conditions recently have improved. Kweichow and Yunnan have suffered from food shortage, but the Government has done everything possible to rectify the situation.

The depreciation of currency has caused alarm in some circles because of the soaring of prices; for example coarse shirts now cost $10 and better grade ones cost from $15 to $20. A box of matches costs 15 cents. There is much profiteering right here in the capital.

The most interesting development hereabouts is the construction of little houses of bamboo and cement where the people seem to live very happily, raising their sheep and children. The houses, most of them, also contain well-built dugouts. Since the closing of the 5th People's Political Council the newspapers have more space for news and articles. There is much interest in the presence of Madame Sun Yat-sen here and there are rumors she may receive a high diplomatic appointment. It was rumored that she was in danger of kidnapping by the agents of the Wang puppets if she remained in Hongkong. Gasoline (artificial) costs more than $10.

F.W.

Chungking, April 11, 1940

PERMANENT READER

To the Editor:

I am sorry to take some of your precious time to look over the following few lines. But I want to take the liberty of informing you that I am one of your faithful and permanent readers. I read **The China Weekly Review** for three years at Shanghai and found it so interesting that I never ceased to read it for a minute. But when I left my home and travelled to Kunming, the difficulty of the mail and the highest price charged at the local store truly astonished me. I regret I was forced to stop the reading of it for a time. Now, however, after a discussion and an agreement with my associates, I have decided to give you another order for a year. As I am still a student and not quite free with money, I would ask you a favor of a free copy so as to obtain the cooperation of my fellows in accomplishing the desired objective. I hope to have your favorable answer immediately.

L. C. P.

Southwestern Associated University,
Kunming, April 19, 1940

THE CHINA WEEKLY REVIEW
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REGRET

To the Editor:

I regret to say that owing to the difficulties in obtaining exchange facilities and other conditions, we are unable to continue our subscription for **The China Weekly Review** for the next year. We hope to be able to resume our relation as soon as circumstances will permit.

DR. Y. PRUICH,
Librarian.

Oriental Institute,
Praha, Czechoslovakia,
March 20, 1940

NATIONAL CITY BANK OF NEW YORK

Rates of Exchange, Shanghai, April 24, 1940

Demand selling rate on New York: U.S.$1.00—Sh.$16.66

Demand buying rate on New York: U.S.$1.00—Sh.$16.32

Demand selling rate on London: £1.00—Sh.$58.62

Demand buying rate on London: £1.00—Sh.$57.74

AMERICAN STOCK AND COMMODITY QUOTATIONS

April 23, 1940

STOCKS

Amer. Locomotive	21
Amer. Waterworks	10
Anaconda Copper	81⅛
Bethlehem Steel	84½
Chrysler	88⅝
Elec. Bond & Sh.	Unrecv'd
Gen. Motors	54
Goodyear T. & R.	21¾
Gt. Nthrn. Rly., pfd.	27⅜
Lockheed Aircraft	39⅝
Mont. Ward	51⅝
N. Y. Central	16⅜
Texas Corp	46¼
U. S. Steel	62¼

COMMODITIES

New York Cotton, May	10.83/83
New York Rubber, May	19.08/11
New York Hides, June	13.92B/95A
Chicago Wheat, May	111/111⅛
Chicago Corn, May	64¾/64⅝
New York Sugar, No. 4, May	1.45B/46½A

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U.S., JAPAN SEEN IN ACCORD ON NETHERLANDS INDIES QUESTION

IF the official utterances may be taken at their face value, there is a notable similarity in the attitudes of Japan and the United States as regards the question of the status of the Netherlands East Indies, which came into prominence last week as a result of strong indications that the war in Europe was about to draw Holland into its destructive orbit.

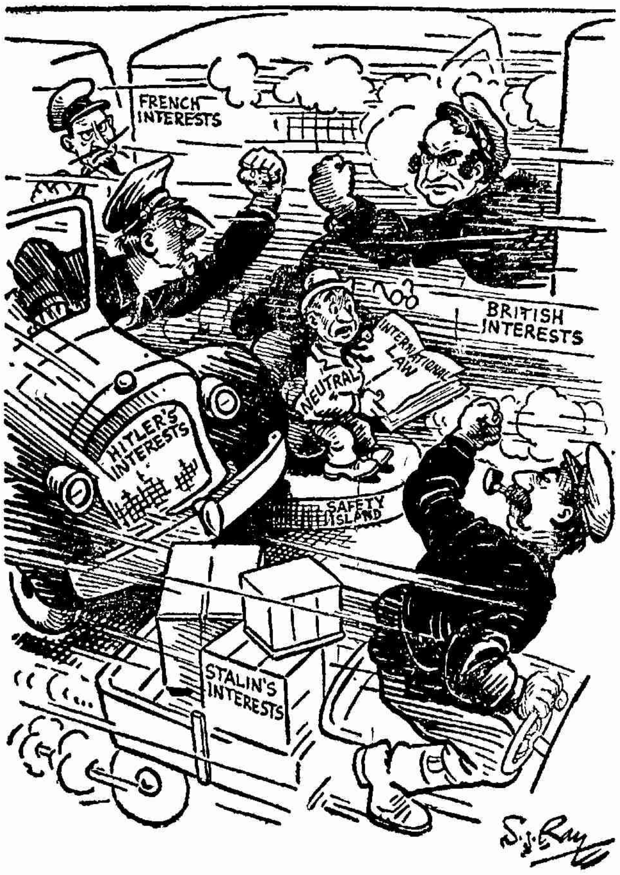
Japan's attitude was stated by Mr. Hachiro Arita, the Foreign Minister, who declared that his government would view with "grave concern" any situation that might bring about a change in the present status of the N.E.I. Newspapermen in Washington thereupon sought the views of the United States Government and a statement was forthcoming from Secretary of State Cordell Hull on April 17, the full text of which is printed elsewhere in this issue. Secretary Hull said that "any change in the status of the Netherlands Indies would directly affect the interests of many countries . . They produce considerable portions of the world's supplies of important essential commodities such as rubber, tin, quinine, copra, etc. Many countries, including the United States, depend substantially upon them for some of these commodities. Intervention in the domestic affairs of the Netherlands Indies or any alteration of their *status quo* by other than peaceful processes would be prejudicial to the cause of stability, peace and security not only in the region of the Netherlands Indies but the entire Pacific area."

Mr. Hull's reference to "peaceful processes" is especially interesting for the fact that it appears to imply advance acquiescence by the United States in the peaceful taking over of the N.E.I. by the Allied Powers. If Holland should be invaded by Germany and joined the Allied cause, and at the request of the Hague the Allies took over the "protection" of the N.E.I., the status of the latter, in effect, would be completely altered—by "peaceful processes." The peacefulness would end only if Japan actively challenged the Allied protectorate.

Overlooking this point, Mr. Kensuke Horinouchi, Japanese Ambassador in Washington, told Secretary Hull on April 20 that in the opinion of the Toyko Government there is no divergence between the points of view of the United States and Japan regarding the status of the N.E.I. Japan had "great interests" there, he said, but did not claim any "*special* interests." Mr. Arita's statement, he continued, was designed to ascertain the attitude of The Hague in the event that some foreign power offered protection to the N.E.I. because of the spread of the European war. The statements of both the United States and The Netherlands, he added, were satisfactory to Japan.

The attitude of the Netherlands Government was conveyed to the Japanese Government on April 16 by Mr. Itaro Ishii, Japanese Minister at The Hague, and announced in Tokyo by the Foreign Office on April 18. Dr. E. N. Kleffens, Netherlands Foreign Minister, informed the Japanese envoy that the Netherlands Government had not sought and would not seek any country's protection of the N.E.I. and was determined to refuse any offer of protection or intervention of any kind which might be made by any country. This statement of view was supplemented, *Transocean* reported from Amsterdam on April. 19, by a statement in which it was asserted publicly that should Holland become involved in the European war, her government "would be able, *de jure* and *de facto*, to maintain order to the fullest extent in the colonies and safeguard their administration."

Traffic Laws Are What the Drivers Say They Are



Kansas City Star

The extent of the preparedness of the N.E.I. to defend themselves against possible attack was indicated in a *United Press* report from Manila on April 19. The agency quoted American military observers who recently returned from Java as saying that the conquest of the N.E.I. would be more difficult than the conquest of the Philippines. These observers pointed out that the N.E.I. have an air force which is probably the strongest in the Far East outside Japan. It consists of 150 American-made bombers and other machines all manned by well-trained pilots. The N.E.I. naval strength includes three small light cruisers, two super-destroyers heavier than European vessels of similar type, 12 other destroyers, 20 medium-sized submarines and 10 others under construction.

An indication that the armament of Holland's colonial possessions in the Far East is constantly being

SECRETARY HULL'S STATEMENT ON NETHERLANDS EAST INDIES

U. S. Secretary of State Cordell Hull issued the following statement on April 17, setting forth the attitude of the United States Government regarding the Netherlands East Indies:—

"Any change in the status of the Netherlands Indies would directly affect the interests of many countries. The Netherlands Indies are very important in the international relationships of the whole Pacific Ocean. The Islands themselves extend for a distance of approximately 3,200 miles east and west, astride the Equator, from the Indian Ocean on the west far into the Pacific Ocean on the east. They are also an important factor in the commerce of the whole world. They produce considerable portions of the world's supplies of important essential commodities such as rubber, tin, quinine, copra, etc. Many countries, including the United States, depend substantially upon them for some of these commodities. Intervention in the domestic affairs of the Netherlands Indies or any alteration of their status quo by other than peaceful processes would be prejudicial to the cause of stability, peace and security not only in the region of the Netherlands Indies but the entire Pacific area.

"This conclusion, based on a doctrine which has universal application and for which the United States unequivocally stands, is embodied in notes exchanged on November 30, 1908 between the United States and Japan in which each of the two governments stated that its policy was directed to the maintenance of the existing status quo in the region of the Pacific Ocean. It is reaffirmed in the notes which the United States, the British Empire, France and Japan, as parties to the treaty signed in Washington on December 13, 1921, relating to their insular possessions and their insular dominions in the region of the Pacific Ocean, sent to the Netherlands Government on February 4, 1922, in which each of those Governments declared that 'it is firmly resolved to respect the rights of the Netherlands in relation to their insular possessions in the region of the Pacific Ocean.'

"All peaceful nations, during recent years, have been earnestly urging that policies of force be abandoned; that peace be maintained on the basis of fundamental principles, among which are respect by every nation for the rights of other nations and non-intervention in their domestic affairs, the according of equality of fair and just treatment, and the faithful observence of treaty pledges, with modification thereof when needful by orderly process.

"It is the constant hope of the Government of the United States, as it is no doubt that of all peacefully-inclined governments, that the attitudes and policies of all governments will be based upon these principles and that these principles will be applied not only in every part of the Pacific area but also in every part of the world."

augmented, was contained in a report issued in Washington by the Munitions Control Board which disclosed on April 20 that since the beginning of this year licenses had been issued for the export to the N.E.I. of U.S. $830,701 worth of aircraft, arms and munitions. Exports of U.S. war material to the N.E.I. in March alone totalled U.S.$305,000, the report showed.

⁂

A spokesman of the Japanese Foreign Office declared at a press conference on April 19 that "we deem it superfluous to comment on the Hull statement." This followed a joint conference of Foreign Office, Army and Navy officials in Tokyo, *Reuter* reported. Observers were left to interpret this as a sign of Japanese satisfaction with the American attitude, or otherwise, according to their inclinations.

The Japanese press was not nearly so complacent. The *Asahi Shimbun* declared that the American attitude was "rather unfriendly and ununderstandable, savoring of unnecessary interference with west Pacific affairs." Stronger was the comment of the *Hochi Shimbun*: "The United States, which must have a say in everything, has issued a statement which is a mere rehash of America's arbitrary international ideas, citing treaties which are manifestly incompatible with the Japanese axiom that until the unfair *status quo*, not only in the Far East but throughout the world, is replaced by a fair new order, no peace can be expected to prevail. Undoubtedly the Hull statement is intended as a political move to restrain Japan's southward expansion policy, but the United States should know that such an attempt will only inflame the Japanese people."

An implied threat that Japan would go to war over the N.E.I. was seen in a statement issued April 18 by a spokesman of the Japanese Navy Ministry. The Navy, he said, echoing Arita's earlier statement, felt grave concern for the maintenance of the *status quo* in the N.E.I., because any change as a result of the European war would mean the extension of the conflict to this part of the world. The Japanese Navy strongly opposed such an extension of the conflict. He added: "There is no telling what may be in store for us in the near future."

Press comment in the United States on the Arita and Hull statements has been copious. The Washington *Post* described the Arita statement as a "unilateral declaration of expansionist policy." The New York *Herald-Tribune* opined that if Holland were invaded Japan "will be ready for a swift naval descent on the Indies...Americans would be caught everywhere in the cross-fires, and the heat of the conflict would be felt by the Philippines." According to the New York *Daily News*, the policy of the United States regarding the N.E.I. "contains the seeds of a possible U.S.-Japanese war."

The *New York Times*, as quoted in a *Domei* dispatch on April 19, asserted that the Hull statement did not constitute "any rebuke or warning to Japan," but was intended as a "caution" to European Powers. The paper declared that despite alarmist reports of possible Japanese intentions, "neither Mr. Arita's statement nor the realities of Japan's present position would justify the assumption that Japan is ready to seize the Netherlands East Indies in the case of a Nazi invasion of Holland. The Indies support a population of 60 millions and produce oil, tin and rubber which the modern world cannot do without. They form an empire in themselves and no Pacific power can be indifferent to their future."

Australia had her say on April 19 when Mr. John McEwan, Minister of External Affairs, declared before the Legislative Assembly in Canberra that any attempt to modify the *status quo* of the N.E.I. would directly affect Australian interests. The islands, he said, were of vital concern to Australia because of their proximity to the Commonwealth.

Rather unexpectedly, Wang Ching-wei's puppet government in Nanking felt constrained to employ the N.E.I. issue as the occasion for its first statement on foreign affairs, but merely in order to ape the Japanese Foreign Office. Pointing out that a large number of Chinese were engaged in trade throughout the N.E.I. and that more than a million Chinese laborers were to be found in Java alone, a spokesman of Nanking's Ministry of Publicity declared on April 20, according to *Domei*, that the "National Government" cannot but be "gravely concerned over the possibility of a disturbance of the peace in that area, affecting the interests of overseas Chinese."

The Hull statement produced an interesting reaction on the London market, where a renewed wave of selling of Japanese bonds set in, losses ranging from one-half to one and one-half points, according to *United Press*.

In view of the diplomatic activity which has revolved around the question of the future status of the N.E.I. considerable significance was attached to the Pacific

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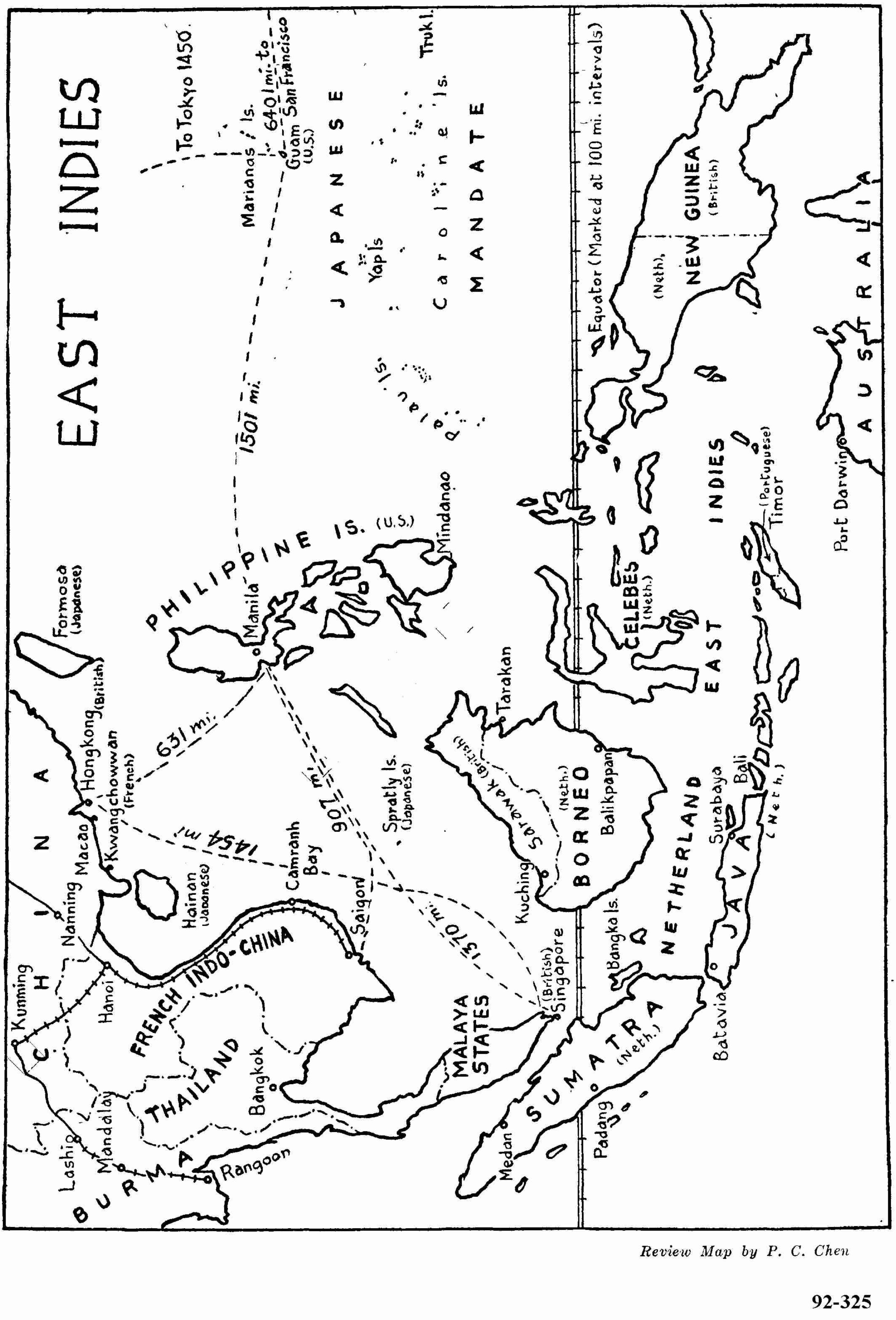
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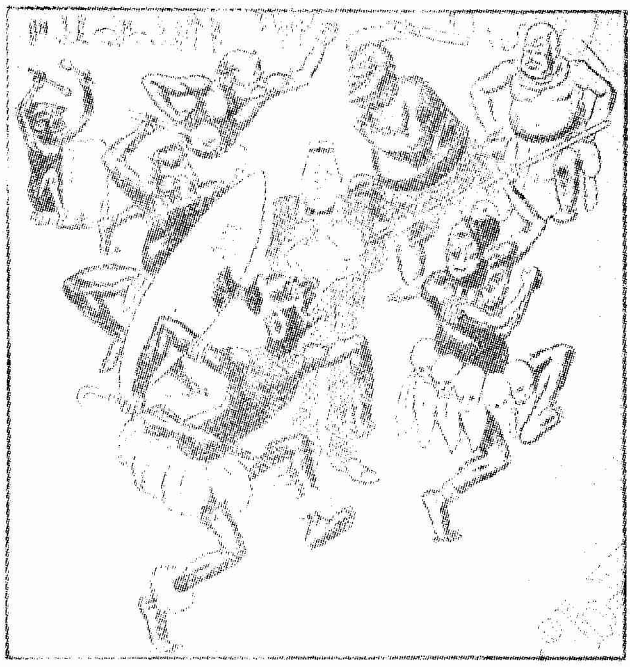
Review Map by P. C. Chen

maneuvers of the United States Navy and to the American naval construction program, both of which have loomed prominently in news dispatches lately. The maneuvers, which were well under way last week, were going forward in an atmosphere of utmost secrecy, there being no journalists or photographers with the Fleet as on former occasions. Considered even more significant was the fact that Mr. Charles Edison, Secretary of the Navy, was accompanying the Fleet.

Chinese military sources in Kweilin (Kwangsi Province) late last week renewed earlier reports that large-scale Japanese naval maneuvers were being conducted in the South China Sea. The games, it was stated, were proceeding in an area covering the Paracel Islands, Hainan Island and the Gulf of Tonkin, with 85 warships of the Third and Fifth Fleets taking part.

American Missionary in European Jungle



This cartoon, which appeared in the "Groene Amsterdammer," pictures Mr. Sumner Welles, during his recent visit to Europe, as "Roosevelt's Missionary in the European Jungle."

Indicating, however, that the United States does not anticipate any immediate tension in the N.E.I., the U.S. Asiatic Fleet commenced last week to carry out its normal summer routine, departing for Shanghai and North China from the waters of the Philippines. The U.S.S. Augusta, flagship, arrived in Shanghai on Monday of this week and the rest of the fleet is due before the end of the present month.

Meanwhile, the U.S. Senate, on April 19, passed the navy estimates, amounting to U.S.$967,414,878, for the fiscal year which begins on July 1, 1940. Although this figure is $123,000,000 below the sum requested by President Roosevelt, it is $48,000,000 more than the figure for the current fiscal year. The total sum provides for new warship construction (including two battleships of perhaps 50,000 tons each, two cruisers, an aircraft carrier and eight destroyers) and also makes provision for defensive improvements at Pearl Harbor, Hawaii. Meanwhile, Admiral Harold Stark, Chief of Naval Operations, is reported to be pressing for additional funds to develop Guam as a war base. Guam lies 1,200 miles south of Yokohama. The Admiral also told the Senate Naval Affairs Committee that the new battleships to be built would be a reply to Japan's reported construction of 43,000-ton dreadnoughts.

A spokesman for the Navy Ministry in Tokyo recently dismissed reports that Japan was secretly building a large fleet of super-dreadnoughts, declaring the reports to be propaganda by "big navy" advocates in the United States. The *New York Times* on April 14 had featured a report stating that reliable information received in Washington strongly showed that Japan was about to present the world with one of the greatest naval surprises in history in the form of a fleet of super-warships greatly exceeding the United States' battleship tonnage. Japan was said to have three or four 40,000-ton or 45,000-ton superships ready for service, with at least four more similar ships being built for 1942. United States' battleship tonnage, it was stated, was expected to be around 508,200 tons in 1942, while Japan's might have a corresponding aggregate of 604,070 tons.

A spokesman for Japan's Navy Ministry declared on April 18 that the United States had "no occasion to worry" over Japan's naval building once it was correctly understood that Japanese naval policy was based upon the principle of non-menace and non-aggression. He neither denied nor confirmed that Japan was engaged in building super-dreadnoughts as alleged by the *New York Times.*

A new 35,000-ton battleship, the U.S.S. North Carolina, first capital ship built for the U.S. Navy in 19 years, is to be launched June 13 of this year, according to announcement last week.

Japanese Military Court Tries High Nanking Puppet Official

On March 20, exactly 10 days before the inauguration of the Wang Ching-wei puppet government in Nanking, a high Chinese official in the puppet Nanking Municipality was seized by Wang Ching-wei's "special service" agents or secret police, on a charge that he had "squeezed" funds allocated for relief of the acute rice situation. The official was Wang Cheng-tien and he was taken away in Wang Ching-wei's own car.

Later it became known that the charge against Wang Cheng-tien was more serious, that he was a "traitor" similar to Kao Kwan-wu, puppet Mayor of Nanking, who deserted the Nanking gang and assisted in exposing the secret agreements which Wang had signed with the Japanese military authorities. The arrest of Wang Cheng-tien caused a sensation in both Nanking and Peiping and resulted in considerable uneasiness.

This uneasiness was greatly increased on April 6, when it became known in Nanking that a high Japanese Military Court, presided over by a "former Japanese War Minister" (obviously General Itagaki, Chief-of-Staff of the Japanese Expeditionary Forces) had tried the alleged culprit. The outcome of the trial was not announced, but the fact that a high official of a supposedly independent government was tried by a Japanese army tribunal constituted a striking commentary on the new set-up in China's national capital.

Further interesting information also is available regarding the finances of the new "government." The secret agreements between Wang Ching-wei and the Japanese military authorities, published in *The Review* a few issues back, disclosed that Wang Ching-wei was to receive the sum of Ch.$40,000,000 from the Japanese Yokohama Specie Bank, the money being Chinese Customs funds which the Japanese have commandeered and have been holding in their bank. According to the report published in *The Review* on April 6, Wang Ching-wei was forced to "split" this sum with the previous Nanking "Reformed Government," the officials of which refused to step aside unless they were well paid, even to the lowliest coolie who was to receive three months' salary.

Latest information from authoritative sources in Nanking indicated that Wang Ching-wei last week drew $60,000,000 from the Yokohama Specie Bank in Shanghai, of which the sum of $20,000,000 was immediately invested in gold bars, supposedly for some purpose connected with the organization of a new central bank. This large purchase of bars caused them to rise to the highest price in history on the Shanghai market.

Another large sum, $25,000,000, was used to "pay off" the officials of the Nanking "Reformed Government," This left the comparatively small sum of $15,000,000 with which Wang will be forced to run his government until he can obtain another "advance" from the Yokohama Specie Bank. As for the new central bank, which is to be set up with the assistance of Japanese financial advisers, the chief object apparently is to issue a new flood of banknotes which will be used to "buy up" national currency for the purpose of conversion into foreign money, chiefly American dollars.

The Mitsuis in Politics

BY JOHN AHLERS

(This is the third and concluding article of a series on the Mitsuis. The preceding articles appeared in the last two issues of The China Weekly Review.)

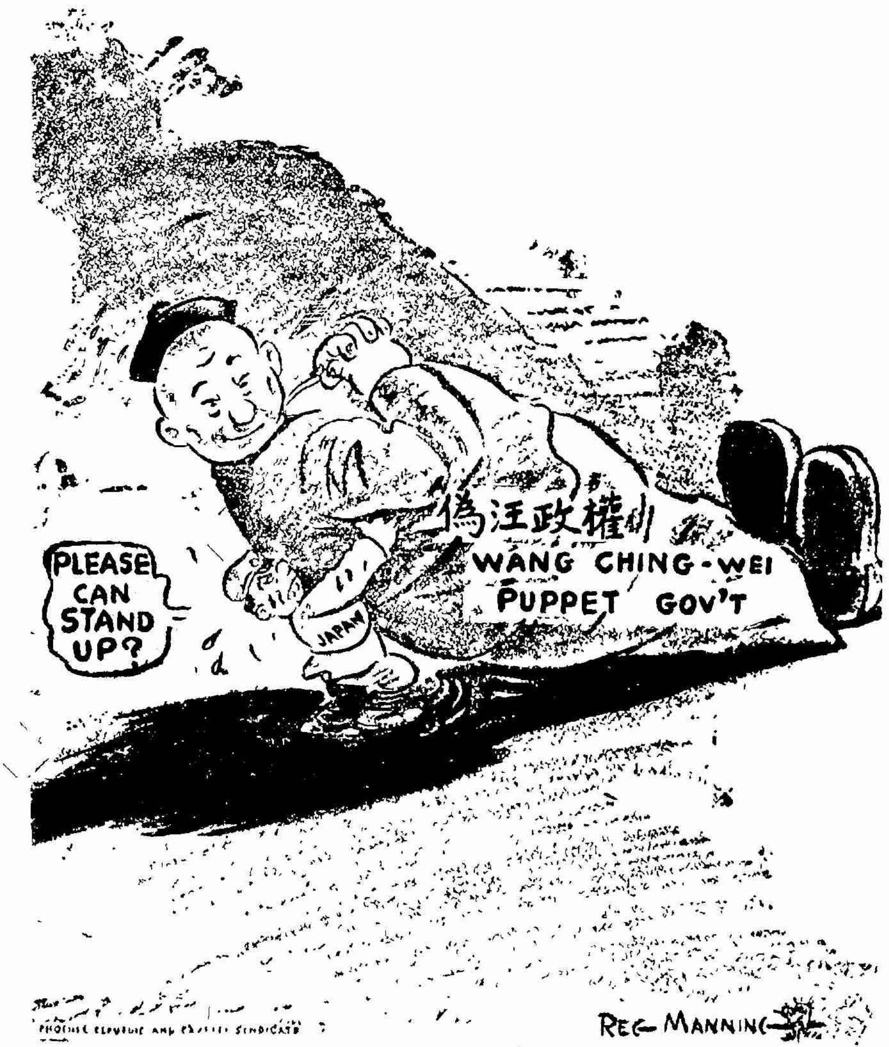
THE peak of Mitsui profits and power was reached during the period which began with the termination of the last Great War and ended shortly after the Japanese seizure of Manchuria. This period covered the interregnum between the retreat of the bureaucracy from, and the ascendancy of the military to, predominance in Dai Nippon. It gave big business in Japan a unique chance to expand in all directions and to exercise unprecedented political influence.

The heyday of Japanese capitalism started in 1919 when the first truly parliamentary government in Tokyo was formed by Hara, the first commoner to become prime minister. Hara headed the Seiyukai Party which the Mitsuis had favored previously, and under his premiership the Mitsuis began openly to finance the Seiyukai by means of huge monetary contributions. This was the policy of Takuma Dan, of Mitsui Mining, then at the head of the Mitsui interests as successor to Masuda of Mitsui Bussan. Soon the Mitsuis dominated the Seiyukai. Their most important economic rivals, the Mitsubishis, bestowed their largesse upon the Seiyukai's chief opponent, the Minseito Party, and with the same results.

The violent fight for political control between the two parties reflected the clash between the Mitsuis and the Mitsubishis, and for years was reduced to a mere political repercussion of that economic clash. The Mitsuis and the Seiyukai, on the whole, retained the upper hand. Both concerns and parties, however, greatly overplayed their hands, not heeding the warnings forecast by the rising tide of military and expansionist extremism. They continued to juggle with political power even for some time after the seizure of Manchuria by the Japanese Army, with the Mitsuis exploding the Wakatsuki Government and establishing the Inukai Cabinet to enforce yen depreciation, thereby to appreciate their huge forward purchases of foreign currencies. They managed to harvest tremendous profits from this operation, but it almost proved their undoing.

The fateful year 1932 brought the assassination not only of both the Seiyukai and Minseito leaders, Inukai and Inouye, but also the killing of the all-powerful Mitsui chief, Takuma Dan. The Japanese military seized indirect control of the Tokyo Government and they have continued to hold it ever since. The Mitsuis had to retrench and lie low, but were shrewd enough to turn over a new leaf without hesitation. Seihin Ikeda became their leader at the head of Mitsui Gomei, as successor to Takuma Dan. Ikeda then was 71 years of age, but he immediately started to put into practice some new ideas that were contrary to all past Mitsui practice. He had not been satisfied with Takuma Dan's policy. He had been preoccupied, for years past, with the advance of Fascism in Japan, and had worked out definite plans for coping with that danger. In 1929, he had spent almost a year in Italy, where he had been greatly impressed by the working compromise between Fascism and big Capitalism. Following his return to Japan, he joined Hiranuma's political club, the Kokuhonsha, and thus secured a position on the inside of the new regime in Japan.

Unable to Stand Up



Las Vegas (New Mexico) Daily Optic, with apologies to Reg Manning

Seihin Ikeda led the Mitsui interests out of the firing line into a more comfortable background where risks were less. He made public gestures of financial magnanimity, imitating the Rockefellers when he established, in 1933, the Yen 30,000,000 Mitsui Foundation to promote social welfare, scientific research and industrial experimentation. He stopped financing the Seiyukai, and the fate of the political parties was sealed when the other mammoth concerns of Japanese big business followed his example. Instead, Ikeda began granting gifts to various military reptile funds. He reformed Mitsui business itself, systematically concentrating upon big business and abandoning competition with small-scale enterprise. From a violent conflict with Mitsui Bussan over this issue Ikeda emerged victorious. It was Ikeda's policy to make the Mitsui realm less ostentatious, assume a more modest and more human appearance, seem less important than it is, and to camouflage in every direction. The now pending disappearance of Mitsui Gomei is the latest result of this Ikeda policy.

Seihin Ikeda retired from the Mitsui leadership in 1936, but to this day he remains the most important person and the most appreciated adviser of the Mitsui realm. He did not retire into private life. Since 1936 he has been a Governor of the Bank of Japan, an Advisory Councillor of the Tokyo Government, a Minister of Finance and of Commerce and Industry concurrently, and chief of the Japanese Central Price Commission. He has become the grand old man of Japanese big capitalism which he endeavors to defend as such, no longer shielding the Mitsui interests exclusively. His policy is to assist the Japanese military in their expansionist enterprises, and even to help them in enforcing wartime control of private economy, but to oppose unreservedly all attempts to perpetuate such wartime control and to bring about that sort of military state socialism which is at the heart of the young officer movement in Japan. This is why Ikeda fought the National Mobilization Law, with the remarkable success of greatly alleviating the economic control powers granted the Government in the much-discussed Article XI. This is why he clashed repeatedly with Lt.-General Itagaki when the latter was Minister of War under Konoye and Hiranuma, and why he turned against the Abe Cabinet. On the other hand, Ikeda's recent difficulties with his former associate G. Fujihara, now Minister of Commerce and Industry, resulted from the former's desire to assist the military in continuing the "low-price policy" deemed necessary to furnish the Japanese fighting forces with domestic supplies at costs corresponding to budgetary means.

That Ikeda went too far in cooperating with the Japanese military and fell into the pitfalls of Japanese Fascism is the interesting judgment expressed a year ago by Oland D. Russell in his remarkable book *The House of Mitsui.** The author of this article is not able to concur in this judgment. It would appear that the final results of Ikeda's policy of reforming the Mitsui interests and cooperating with the Japanese fighting forces as yet remain to be seen. The Army has not yet risen to the top as a result of the China adventure, and there is still a chance of that adventure coming to nothing, and of Japan's military losing out in the end. The Mitsuis also do not cooperate with the military exclusively. They cultivate intimate relations with the Imperial Court and the bureaucracy, and there is a chance of these two at some time in the future allying themselves with big business in a coalition which will reduce the military to their proper role and task, i.e., the simple protection instead of the domination of Dai Nippon.

Russell's book on the Mitsuis is extremely interesting and ought to find a great many readers. It has something to tell everybody interested in Japanese economics, and in Far Eastern economics in general. The bulk of the material used in this series of articles has not been borrowed from Russell's book, and readers will find there a wealth of additional and necessary information. The whole subject of Japanese big business is altogether too little known outside Dai Nippon. In particular, the past history of Japan's mammoth concerns is still obscure to most westerners. Russell traces the Mitsuis back to the Nara period of twelve hundred years ago, chronologically relating their development against the background of Japan's general development. He has done a great deal of research work, and dug out many almost forgotten events which today make very interesting reading and should greatly help to clarify current conceptions of Japanese capitalism.

The author of these articles was particularly impressed by two little known facts with which Russell deals at great length, and which he admirably brings to the fore. The first is that there seems to have been, in all the long Mitsui family history, but one outstanding Mitsui. This was Hachirobei Mitsui who back in 1673, at the age of 51, suddenly began to expand in many directions a small family dry-goods trade and cash-shop business and who within twenty years firmly established the Mitsuis as the leading traders, bankers and fiscal agents in Japan. Hachirobei Mitsui invented and introduced a long series of remarkable improvements in his country's business practice, many of which continue to characterize Japan up to this very day. His achievements held good for almost two hundred years until the dawn of the restoration in Japan. Russell's record of Hachirobei is excellent.

Then the Mitsuis, in an extremely critical moment, took a hazardous resolution which rewarded them with continuous leadership in Japanese business. They deserted the Shogunate and risked all their fortune and business in the interests of the Restoration which, at that time, was everything but a sure speculation. They were successful again. This and subsequent Mitsui successes, however, were due no longer to outstanding individuals of the Mitsui family but to an unbroken chain of great business captains whose services the Mitsuis managed to secure. The predominant part played in the Mitsui fortunes by these great "bantos," the Japanese equivalent for the Shanghai taipans or tycoons, is excellently described in Russell's book. The Minomura, Kaoru Inouye, Nakamigawa, Masuda, Takuma Dan, and finally Ikeda all are given by Russell the full credit they deserve, and which they frequently fail to get in their native country.

**The House of Mitsui. By Oland D. Russell. 1939. Published by Little, Brown & Company, Boston.*

Wounds

BY DR. NORMAN BETHUNE

China Today, N. Y.

Editor's Note :—The author of this strikingly sensitive piece of writing died Nov. 13, 1939 from blood poisoning resulting from a cut his finger sustained while performing an operation on a wounded Chinese soldier. He passed away at Wutaishan, in the area occupied by the Eighth Route (former Red) Army in the Northwest. Before coming to China early in 1938 he served with the Canadian contingent of the Loyalist forces in Spain, for he was himself a Canadian. With the Eighth Route Army in China he became a legendary figure. Chinese fighters had such confidence in his treatment, it is related, that they went into battle with the cry "Attack! Bethune is here to take care of the wounded." He inaugurated the blood transfusion service and several times gave his own blood to save the life of a wounded man. This example took hold and overcame the Chinese fear of giving away blood, so that donor detachments were formed. Blood transfusions are now common and it is said that there is never a lack of donors. Dr. Bethune was an indefatigable worker, performing 10 to 15 operations daily for weeks on end. The average number of his operations in a single month was 130 and he performed more than one thousand in the year preceding his death.

THE kerosene lamp overhead makes a steady buzzing sound like an incandescent hive of bees. Mud walls. Mud floor. Mud bed. White paper windows. Smell of blood and chloroform. Cold. Three o'clock in the morning, Dec. 1, North China, near Lin Chu, with the 8th Route Army.

Men with wounds.

Wounds like little dried pools, caked with black-brown earth; wounds with torn edges frilled with black gangrene; neat wounds, concealing beneath the abscess in their depths, burrowing into and around the great firm muscles like a dammed-back river, running around and between the muscles like a hot stream; wounds, expanding outward, decaying orchids or crushed carnations, terrible flowers of flesh; wounds from which the dark blood is spewed out in clots, mixed with the ominous gas bubbles, floating on the fresh flood of the still-continuing secondary hemorrhage.

Old filthy bandages stuck to the skin with blood-glue. 'Careful. Better moisten first. Through the thigh. Pick the leg up. Why it's like a bag, a long, loose, red stocking. What kind of stocking? A Christmas stocking. Where's that fine, strong rod of bone now? In a dozen pieces. Pick them out with your fingers; white as dog's teeth, sharp and jagged. Now feel. Any more left? Yes, here. All? Yes, No, here's another piece. Is this muscle dead? Pinch it. Yes, it's dead. Cut it out. How can that heal? How can those muscles, once so strong, now so torn, so devastated, so ruined, resume their proud tension? Pull, relax. Pull, relax. What fun it was! Now that is finished. Now that's done. Now we are destroyed. Now what will we do with ourselves?

Next. What an infant! Seventeen. Shot through the belly. Chloroform. Ready? Gas rushes out of the opened peritoneal cavity. Odor of feces. Pink coils of distended intestine. Four perforations. Close them. Purse string suture. Sponge out the pelvis. Tube. Three tubes. Hard to close. Keep him warm. How? Dip those bricks into hot water.

Gangrene is a cunning, creeping fellow. Is this one alive? Yes, he lives. Technically speaking, he is alive. Give him saline intravenously. Perhaps the innumerable, tiny cells of his body will remember. They may remember the hot, salty sea, their ancestral home, their first food. With the memory of a million years, they may remember other tides, other oceans and life being born of the sea and sun. It may make them raise their tired little heads, drink deep and struggle back into life again. It may do that.

And this one. Will he run along the road beside his mule at another harvest, with cries of pleasure and happiness? No, that one will never run again. How can you run with one leg? What will he do? Why, he'll sit and watch other boys run. What will he think? He'll think what you and I would think. What's the good of pity? Don't pity him! Pity would diminish his sacrifice. He did this for the defense of China. Help him. Lift him off the table. Carry him in your arms. Why, he's as light as a child! Yes, your child, my child.

How beautiful the body is; how perfect its parts; with what precision it moves; how obedient; proud and strong. How terrible when torn. The little flame of life sinks lower and lower, and with a flicker goes out. It goes out like a candle goes out. Quietly and gently. It makes its protest at extinction, then submits. It has its say, then is silent.

Any more? Four Japanese prisoners. Bring them in. In this community of pain, there are no enemies. Cut away that blood-stained uniform. Stop that hemorrhage. Lay them beside the others. Why, they're alike as brothers! Are these soldiers professional man-killers? No, these are amateurs-in-arms. Workerman's hands. These are workers-in-uniform.

No more. Six o'clock in the morning. God, it's cold in this room. Open the door. Over the distant, dark-blue mountains, a pale, faint line of light appears in the East. In an hour the sun will be up. To bed and sleep.

But sleep will not come. What is the cause of this cruelty, this stupidity? A million workmen come from Japan to kill or mutilate a million Chinese workmen. Why should the Japanese worker attack his brother worker, who is forced merely to defend himself. Will the Japanese worker benefit by the death of the Chinese? No, how can he gain? Then, in God's name, who will gain? Who is responsbile for sending these Japanese workmen on this murderous mission? Who will profit from it? How was it possible to persuade the Japanese workman to attack the Chinese workman—his brother in poverty; his companion in misery?

Is it possible that a few rich men, a small class of men, have persuaded a million poor men to attack, and attempt to destroy, another million men as poor as they? So that the rich may be richer still? Terrible thought! How did they persuade these poor men to come to China? By telling them the truth? No, they would never have come if they had known the truth. Did they dare to tell these workmen that the rich only wanted cheaper raw materials, more markets and more profit? No, they told them that this brutal war was "The Destiny of the Race," it was for the "Glory of the Emperor," it was for the "Honor of the State," it was for their "King and Country."

False. False as Hell!

The agents of a criminal war of aggression, such as this, must be looked for like the agents of other crimes, such as murder, among those who are likely to benefit from those crimes. Will the 80,000,000 workers of Japan, the poor farmers, the unemployed industrial workers—will they gain? In the entire history of Wars of Aggression, from the conquest of Mexico by Spain, the capture of India by England, the rape of Ethiopia by Italy, have the workers of those "victorious" countries ever been known to benefit? No, these never benefit by such wars.

Does the Japanese workman benefit by the natural resources of even his own country, by the gold, the silver, the iron, the coal, the oil? Long ago he ceased to possess that natural wealth. It belongs to the rich, the ruling class. The millions who work those mines live in poverty. So how is he likely to benefit by the armed robbery of the gold, silver, iron, coal and oil of China? Will not the rich owners of the one, retain for their own profit the wealth of the other? Have they not always done so?

It would seem inescapable that the militarists and the capitalists of Japan are the only class likely to gain by this mass murder, this authorized madness. That sanctified butcher, that ruling class, the true State stands accused.

Are wars of aggression, wars for the conquest of colonies, then just Big Business? Yes, it would seem so, however much the perpetrators of such national crimes seek to hide their true purpose under the banners of high-sounding abstractions and ideals. They make war to capture markets by murder; raw materials by rape. They find it cheaper to steal than to exchange; easier to butcher than to buy. This is the secret of all wars. Profit. Business. Profit. Blood money.

Behind all stands that terrible, implacable God of Business and Blood, whose name is Profit. Money, like an insatiable Moloch, demands its interest, its return, and will stop at nothing, not even the murder of millions, to satisfy its greed. Behind the army stand the militarists. Behind the militarists stand finance capital and the capitalist. Brothers in blood; companions in crime.

What do these enemies of the human race look like? Do they wear on their foreheads a sign so that they may be told, shunned and condemned as criminals? No. On the contrary, they are the respectable ones. They are honored. They call, and are called, gentlemen. What a travesty on the name! Gentlemen! They are the pillars of the State, of the church, of society. They support private and public charity out of the excess of their wealth. They endow institutions. In their private lives they are kind and considerate. They obey the law, their law, the law of property. But there is one sign by which these gentle gunmen can be told. Threaten a reduction on the profit of their money and the beast in them awakes with a snarl. They become as ruthless as savages, brutal as madmen, remorseless as executioners. Such men as these must perish if the human race is to continue. There can be no permanent peace in the world while they live. Such an organization of human society as permits them to exist must be abolished.

These men make the wounds.

Ruling on China Trade Act Sought from U.S. Court

JUDGE Milton J. Helmick of the United States Court for China is expected to render a decision shortly in proceedings in which the American Asiatic Underwriters are seeking a declaratory judgment concerning the applicability of certain provisions of the China Trade Act, under which they are incorporated. Specifically, the A.A.U. is seeking to find out whether it is permitted to hold shares in insurance companies. Hearings were opened on April 10, with the A.A.U. represented by Attorney George Richardson. Respondent in the case is Miss A. Viola Smith, China Trade Act Registrar.

The provision of the Act upon which the A.A.U. is seeking a pronouncement by the Court reads:

> *No corporation formed under the provisions of the China Trade Act shall purchase or acquire, either directly or indirectly, for investment purposes, shares of stock of any corporation engaged in any activity by Section 4 (C) of the Act.*
>
> *Section 4 (C) of the Act reads:*
>
> *A China Trade Act corporation shall not engage in the business of discounting bills, notes or other evidences of debt, of receiving deposits, of buying and selling bills of exchange, or issuing bills, notes or other evidences of debt, for circulation as money; nor engage in any other form of banking business; nor engage in any form of insurance business, less than controlling interests of such a corporation is owned by citizens of the United States, within the meaning of Section 2 of the Shipping Act, 1916, as amended.*

It is the Registrar's contention that a China Trade Act corporation does not have the legal right to own shares of insurance company stock, and since the A.A.U. owns shares in the Asia Life Insurance Company, the International Assurance Company and the Compagnie Franco-Americain d'Assurance, allegedly in contravention of the Act, revocation of its charter should be ordered unless it relinquishes those shares.

At the initial hearing in the case, Attorney Richardson argued that the language of the Act should not be so construed as to deny companies incorporated under it the rights normally enjoyed by other companies, namely, to hold shares of stock in insurance companies as freely as in other companies. The A.A.U., he said, would be circumventing the provisions of the Act only if they used insurance shares in such manner as to render themselves liable as insurers. District Attorney Leighton Shields, who appeared for the Registrar, told the Court that the A.A.U. held so many shares in the three insurance companies named, that they were able to dictate the business policies of those concerns.

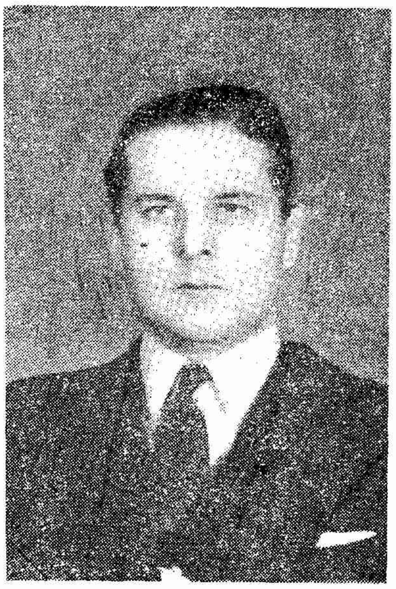
Further legal argument was heard on April 12 and 15. American law should not be applied to China where it was not suited to local conditions, Mr. Richardson contended. Section 4 (c) of the China Trade Act, in his opinion, was not intended by Congress to prohibit the holding of insurance shares. This privilege, he pointed out, was enjoyed by British companies, and Congress could hardly have intended to restrain holding companies—to the advantage of their foreign competitors—from doing business which they were entitled to conduct under the laws of the State of Delaware, since the purpose of the China Trade Act was to facilitate American trade.

American Retires, Briton Takes the Helm of S.M.C.

W. J. Keswick, Briton, head of the shipping and engineering firm of Jardine, Matheson and Company, Ltd., was elected chairman of the new Municipal Council of the International Settlement at the first meeting in the Municipal Building on April 18. J. W. Carney, assistant manager of the Standard-Vacuum Oil Company, was elected vice-chairman. Mr. Carney was offered the chairmanship, but declined the honor.

Mr. Keswick is the first British chairman of the Council in several years. He succeeds C. S. Franklin, an American, who had been chairman since the retirement of H. E. Arnhold, a Briton, from that position. In a recent interview announcing his decision to retire from municipal politics, Mr. Franklin said, "I have had enough." Members present at the installation of the new chairman and vice-chairman included, N. F. Allman, J. W. Carney, W. Gockson, G. A. Haley, Y. Hanawa, Yulin Hsi, W. J. Keswick, E. Y. B. Kiang, Roderick G. MacDonald, G. E. Mitchell, T. S. Powell, L. T. Yuan and Yu Ya-ching.

Elected



W. J. Keswick

An unusual situation developed on April 23, shortly following the organization of the new Council, when Majoto Den, one of the recently-elected Japanese members, telegraphed his resignation to the chairman of the Council. Mr. Den's nomination as one of the five Japanese candidates was regarded as unusual, as he was not present in Shanghai at the time of the election, and had not been a resident here previously. Mr. Den previously had been an official of the Japanese Ministry of Railways and had been engaged in railway activities in Manchuria. Recently, he had been appointed vice-president of the Central China Railway Company, which operates the Shanghai-Nanking and Shanghai-Hangchow lines, previously the property of the Chinese Government.

Retired

C. S. Franklin

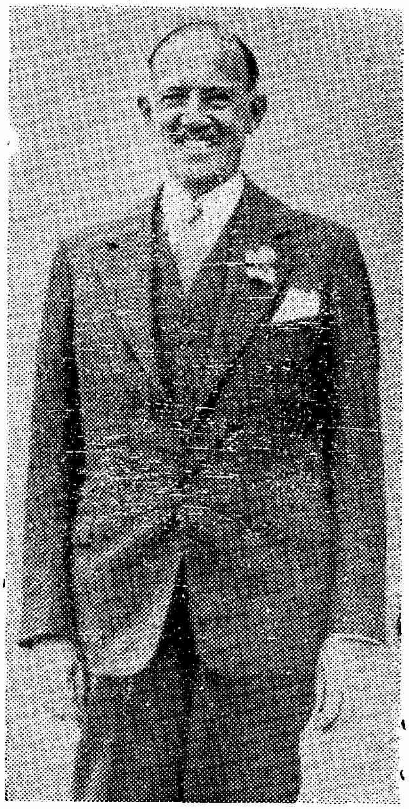
Had Mr. Den taken his place on the Council an embarassing situation would have resulted, because the firm of Jardine, Matheson and Company, of which the new chairman, W. J. Keswick, is general manager, holds the largest foreign investment in the Chinese rail lines which the Japanese Army seized and has been operating for practically two years. In this period not a cent has been paid on the bonded indebtedness and the Japanese Army has retained all funds received from the sale of tickets and freight.

The Japanese *Domei* service stated on April 23 that Issaku Okamoto, director of the Japanese Cotton Millowners' Association, former Consul-General at Singapore, who also was a candidate on the Japanese ticket, but lost out by two votes, "would automatically succeed to the post vacated by Mr. Den." This has since happened.

Is Sayre Trip Similar to Welles "Peace Inquiry"?

FRANCIS Bowes Sayre, U.S. High Commissioner to the Philippine Commonwealth, has not yet received the publicity which was aroused by President Roosevelt's other emissary, Sumner Welles, on his recent tour of European capitals. But Sayre's trip may turn out to be of equal or even greater importance than that of his colleague in the Department of State.

Opposes Force



In an interview with the China Press, upon his arrival in Shanghai aboard the U.S.S. Augusta on Monday, Mr. Francis B. Sayre, High Commissioner to [the Philippines, condemned the use of force as an instrument of national policy. He urged the preservation of the status quo in the Pacific and said that this viewpoint also prevailed among the Filipinos.

As High Commissioner to the Philippines, Mr. Sayre is in an advantageous position to "check up" on peace prospects in this equally disturbed quarter of the world. Although Washington refuses to recognize it, the Philippine problem is the heart and center of the issue of peace or war in the Pacific. A few days ago, the Japanese demanded that the Philippine legislature withdraw a proposed law limiting Japanese immigration. Some areas of the Philippines are already over-run by Nipponese who dominate certain vital industries.

Several years ago a similar Japanese threat to California precipitated passage of the Exclusion Act by Congress. In that case the Japanese bluff failed. It remains to be seen what the Filipinos will do when faced with an actual threat from Japan. It hasn't been many weeks since President Quezon warned his fellow-countrymen that their limited population made it practically impossible for the Commonwealth to defend itself against a powerful foe. He didn't mention Japan; it wasn't necessary! With only some 15,000,000 people to draw on, the Philippines would not be able to hold out long; perhaps not as long as the valiant Finns held out against the Red Army of the Soviets.

There has been considerable talk of a Pacific pact to protect the infant Philippine Republic, but we know of nothing more childish than such discussions in the light of what has happened in China. The Japanese would exact their full pound of flesh before they would agree to such a pact and then they wouldn't observe it after they had signed it.

But Mr. Sayre is no amateur in the jungle of Pacific diplomacy. He served for two years as adviser in foreign affairs to the Siamese Government (1923-25), hence is familiar with conditions which made that country susceptible to Japanese intrigue.

Prior to his appointment as High Commissioner to the Philippines, Mr. Sayre was Assistant Secretary of State and before that he had extensive legal experience, following his graduation from Harvard in 1918. He is a native of South Bethlehem, Pennsylvania.

The chief object of Mr. Sayre's trip is to confer with Ambassador Joseph C. Grew in Tokyo regarding the "international situation in the Pacific," to quote from his interview in the Shanghai newspapers. He said that the decision to visit Tokyo had been made long before the question of the Netherlands East Indies became a subject of news. He is accompanied on the trip by Mrs. Sayre, who is a daughter of the late President Woodrow Wilson; and a naval aide, Lieut.-Commander Charles B. McVay.

Although not regarded as significant then, it may be recalled that Clarence E. Gauss, former U.S. Consul-General here, received news of his appointment as Minister to Australia while he was in Manila conferring with Mr. Sayre. Admiral Thomas C. Hart, Commander-in-Chief of the U. S. Asiatic Fleet, was also present at the time and participated in the inevitable discussions of American Far Eastern policy.

One might therefore regard the forthcoming conversations in Tokyo as a continuance of the Manila discussions, particularly in view of the imminent departure of Ambassador Grew on home leave. As soon as it became known about a month ago that Mr. Grew planned to take a trip to Washington, the government-controlled newspapers in Tokyo began to spread reports that he planned to retire, allegedly because of dissatisfaction with American policy toward Japan. The Ambassador denied these reports, but the Japanese spokesmen kept repeating the rumors of his retirement. K. K. Kawakami, Japanese propagandist in Washington, sent a dispatch to the *Nichi-Nichi* alleging that Mr. Grew was dissatisfied with the abrupt termination of the Japanese-American commercial treaty, which action allegedly was taken by Washington without Mr. Grew's knowledge. The State Department then announced that Mr. Grew was coming home on a 60-day vacation, but this did not prevent Kawakami from again announcing that Grew had determined to resign, prior to his sensational speech before the America-Japan Society in which he told the Japanese about American dissatisfaction with their aggression in China and interference with the rights and activities of Americans in this field. Kawakami's dispatch from Washington alleged that Mr. Grew's speech before the America-Japan Society "was ordered by a certain influential New Deal leader, and was delivered against Mr. Grew's better judgment."

The constant repetition of the allegations in the Japanese press that Mr. Grew intended to resign, apparently was due to the fact that certain high Japanese officials had "become cool" toward the American Ambassador, following his frank statements. But they wished, for considerations of domestic politics and "face," to create the impression that Mr. Grew planned to resign because of dissatisfaction with Washington policy.

The *Miyako Shimbun* charged (March 29) that the United States "purposely misunderstood" Japan, and cited as proof the allegation that Ambassador Grew had proposed three conditions for adjusting Japanese-American relations: (1) restoration of American rights and interests in China; (2) opening of the Yangtsze; (3) early removal of the state of hostilities. The Tokyo paper alleged that the Japanese Government was favorable to these proposals and offered to conclude a temporary pact regulating relations between the two countries—which, incidentally, would have had the effect of restoring the cancelled trade treaty. It went on to allege, however, that the

State Department "purposely misunderstood" the attitude of Japan and cast suspicion on the conditions which Japan intended to enforce in connection with the "reopening" of the Yangtsze. It was claimed that this incident, plus the other things, had caused the American Ambassador to decide to return home and resign his post.

A considerable stir resulted from a statement by Rear-Admiral Joseph Knefler Taussig, before the Senate Naval Affairs Committee, on April 22, that America's eventual embroilment in war with Japan "was inevitable." He urged that the United States should act in cooperation with Britain, France and the Netherlands. He cited four events in proof of his contention: (1) the revelation that Japan is building eight 45,000-ton super-dreadnaughts, two of which are nearly completed; (2) Japanese intrigue and extension of trade agreements in South America in an effort to counteract American influence; (3) Japan's claim to uninterrupted immigration into the Philippines; (4) Japan's threat toward the Netherlands Indies in the event of a German invasion of Holland. Admiral Taussig said that Japan's promises in international relations "are worthless" and that Japan is trying to "impose her culture on the world by force." He said that he was only expressing his own personal views, but believed that the trend of events in the Far East "might eventually force the United States to go to war with Japan." In view of this situation he thought the United States "would be warranted to use economic and financial means and, if necessary, force, to preserve the integrity of China." Continuing, he said that even if Japan conquered China she would still be lacking in such essentials as oil, rubber and tin, hence "might seek to expand into the Netherlands East Indies and the Philippines." In a further reference to the question of war between the United States and Japan, Admiral Taussig said "it would be a naval war and since we couldn't invade Japan and Japan couldn't invade the United States, we should construct an impregnable naval base in Guam and the Philippines and continue to build battleships." He also urged the negotiation of agreements permitting American use of British, French and Netherlands naval bases. Both Secretary of State Cordell Hull and Admiral Harold Stark, Chief of Naval Operations, disavowed official inspiration for Admiral Taussig's remarks.

Admiral Taussig was born of American parents in Dresden, Germany and was graduated from the U.S. Naval Academy in 1899 and the War College in 1920. He has had a notable war record, having participated in the Spanish-American war, Philippine campaign, Boxer Rebellion, Cuban pacification, World War, Nicaraguan campaign. He has received numerous honors, including the British Order of St. Michael and St. George.

Tenants of Apartment Building Told to Leave

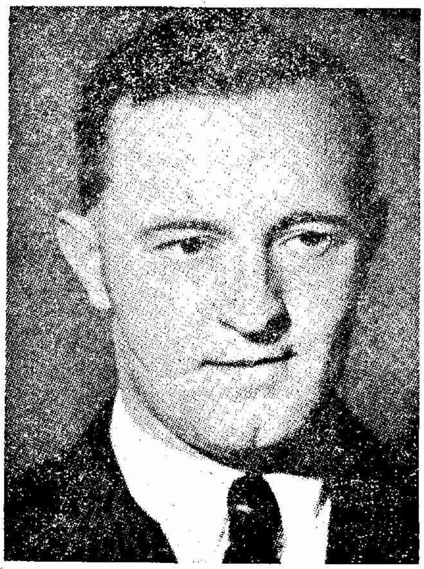
The tenants of the 45 apartments contained in Empire Mansions at the corner of Avenue Joffre and Route Say Zoong in the French Concession received a shock last week when the China Realty Company, agents for R. M. Joseph, the owner, told them they would have to move out on or before August 31, when all public utilities connected with the building, including elevator service, would be discontinued. Reason given was that the building is a losing proposition, since the owner cannot get higher rents from the present tenants and has already lost a case against one tenant which he took to the local Chinese court. The shops in the building will not, however, be closed. Tenants are considering what action to take and have placed their collective case in the hands of Paul Premet, French lawyer. The owner, they say, plans to fill the building up with new tenants paying higher rentals.

N.C.D.N. Plans Station to Counter Nazis' Local "Lord Haw-Haw"

It is unnecessary to describe the activities of "Lord Haw-Haw" to Far Eastern Britons, but to other nationalities in the Orient this well-known figure of the European war is not so familiar. Lord Haw-Haw, to whom some 50% of Briton's radio fans allegedly listen-in every night (*Time Magazine*) is a Nazi radio propagandist, who disparages British war aims, exposes slum conditions in England, discusses colonial politics, commiserates with war-discomforted Britons at home, points to examples of incompetence on the part of politicians.

The British authorities, even with their wartime censorship powers, apparently think it is better to let "Lord Haw-Haw" talk (and lie) about them than to try to prevent Britons from listening-in. As a result Lord Haw-Haw, "who shouts with rage and screams with fear but always pipes down when our planes are near," has become a well-known butt of punsters. The identity of Lord Haw-Haw "with his frozen British accent" long remained a mystery, but it is now known that he is a William Joyce, who was born in the United States of an Irish father and Yorkshire mother and was taken to England as a boy and educated at London University. He was originally connected with Sir Oswald Mosely's Union of Fascists, but was kicked out. Once in a Fascist brawl he received a razor slash which left a scar from mouth to ear. Later, at the beginning of the war, he slipped away to Germany, where he gained the friendship of the Nazis because of his anti-semitic passion and hate for British democracy.

"Lord Haw-Haw"



William Joyce

The subject is of special interest here because the nightly taunts of a local Nazi "Lord Haw-Haw," said to be a combination of two China-born German brothers who speak "excellent British English," has finally spurred the *North-China Daily News*, popularly known as the "official British organ" and the "old lady of the Bund," to retaliate with a station of its own. The *N.C.D.N.* station, now in process of erection, allegedly will cooperate with British propaganda services to offset the anti-Btitish diatribes nightly broadcast at approximately 800 kilocycles for a period of fifteen minutes beginning at 7:45 o'clock.

Shanghai's "Lord Haw-Haw" allegedly is a dual personality, otherwise, two brothers with voices practically indistinguishable, who alternate their nightly broadcasts. One of them has long been connected with German journalism in the Far East. The Shanghai Nazi broadcast is designed to amplify the German news bulletins issued through *Transocean* to the local Chinese papers, but which are ignored by the local British press. But when there is little or no news favorable to Germany, Shanghai's Lord Haw-Haw devotes his radio time to ridiculing the editorial attitude of the senior British newspaper, *North-China Daily News*, with occasional side-thrusts at *Reuters* and Carrol D. Alcott, particularly the last-mentioned for his too-enthusiastic references to British victories or his sarcastic references to Nazi war policies. Alcott broadcasts over XMHA, which is owned by the Henningsen Produce Company and is managed by E. L. Healy. But more on that later.

Shanghai's Lord Haw-Haw doesn't "pull his punches" when it comes to attacks on the policy of the senior British newspaper or its editor, R. T. Peyton-Griffin, who often is referred to in terms which used to cause he-men of the American West to draw their guns and shoot it out. Those who listen-in to the local Nazi broadcasts claim they constitute a fairly accurate barometer of the progress or lack of progress of the war from the German standpoint. If the war news is unfavorable to the German side, Lord Haw-Haw simply ignores the war and devotes most of the time to attacks on the *N.C.D.N.* and its editor or on some phase of British policy. Recently, when the reports were piling up of Germany's stupendous losses of ships in connection with the Scandinavian campaign, Lord Haw-Haw made slight reference to the news reports, merely remarking that Mr. Alcott "hadn't yet announced the British capture of Berlin."

With reference to Carrol D. Alcott's programs, he has completely ignored the Nazi gibes, which he can well afford to do because of his popularity in the Anglo-American and Chinese communities. But while he has not worried about Nazi ridicule, his booming voice has not been able to surmount a carefully planned and executed Japanese attempt to "blot him out completely," by turning on some special "howling" equipment, possibly imported from Germany, which has had the effect of making Alcott's mid-day and nightly broadcasts indistinguishable, except for the few who possess short-wave sets. Recently, however, Mr. Alcott has been able to discomfit his enemies by changing his wave-length. Protests lodged with the Japanese Consulate-General have had little effect, but recently it was reported that Japanese interference with Alcott's broadcasts "might be discontinued, if Mr. Alcott would cease referring to Wang Ching-wei's adherents as "puppets."

Whether E. L. Healy, manager of the Henningsen station, will submit to Japanese censorship remains to be seen. About a year ago Healy discontinued a weekly broadcast of *The China Weekly Review*, which was second only to Alcott's in popularity, because of Japanese pressure and a minor criticism from local European Roman Catholics. Healy is of the Catholic faith. The Henningsen station, located on Racecourse Road, directly back of the Shanghai Racecourse, is used primarily to popularize the products of the Bakerite Company, an affiliate of the Henningsen Produce Company, which manufactures and exports Chinese egg products and imports dairy products for sale in Shanghai and China generally. The Henningsen interests also operated the Popular Grove Dairy, most modern dairy in China, which was air-bombed and destroyed and the pure-blooded cattle slaughtered by the Japanese invaders in 1937. The claim for this loss, amounting to nearly a million dollars, never has been settled.

First Great Battle of World War II Said Looming In Norway; Allies, Nazis Intrigue in Balkans

AMERICAN MILITARY ATTACHE MEETS DEATH IN NORWAY

America's first war casualty on land since the outbreak of the conflict in Europe was reported on Apr. 21, when Captain Robert M. Losey, assistant U.S. Military Attache in Scandinavia, was killed. He met his death in Dombas, Norway, during a German air raid, while helping to evacuate Americans from the war zone, the State Department in Washington announced.

MILITARY experts far from the scene of action are probably having as much difficulty as journalists in their efforts to figure out the real situation in Norway and the prospects it holds in store. British and French forces have been landed in Norway at several points and are reported to have made contact with those of their Norwegian allies. According to reports out of London, Narvik, formerly a point of export for Swedish iron ore going to Germany, is about to fall into Allied hands, while in the south Allied and Norwegian troops are moving into position for a major battle against German forces somewhere between Hamar and Lillehammer. Hamar is a railway town 80 miles north of Oslo. Both the Allies and Germany are said to be rushing additional troops to the promised scene of battle, and the first great clash of World War II is being forecasted.

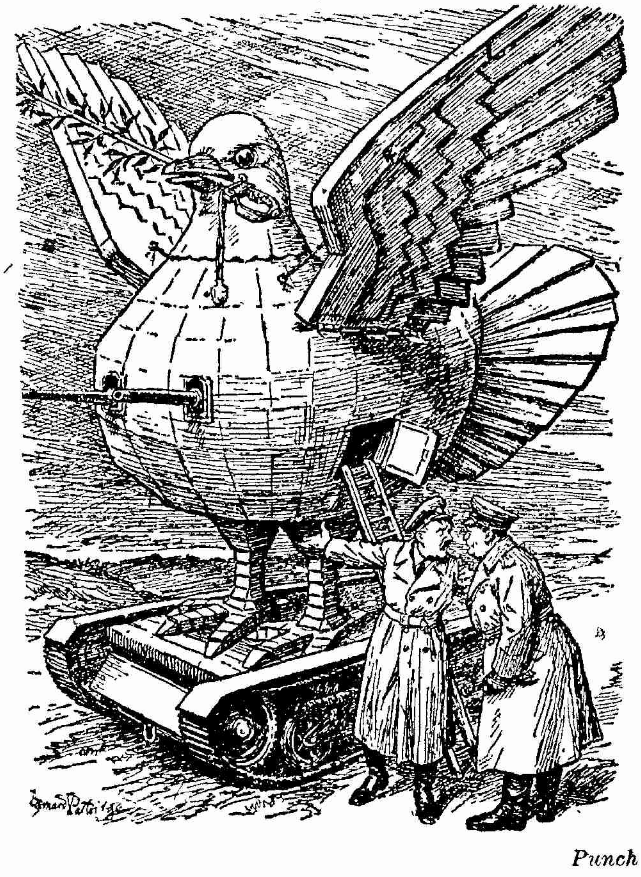
The Norwegian inhabitants of Narvik have been asked by the chief of British naval forces in northern Norway to do their utmost to leave the city or hide underground because of imminent bombardments from land, sea and air, *United Press* reported on Apr. 22. At the same time, Allied and Norwegian land forces are said to be closing in on the port of Trondhjem.

While according to Berlin reports German forces have made rapid advances in central Norway and are maintaining contact with forces landed at the principal port cities at the outset of the invasion, Swedish reports out of Stockholm claim that the Germans have failed to make any notable land contact with their principal landing points. German forces in Oslo, Bergen, Trondhjem and Narvik continue to be isolated, it was stated in a *United Press* dispatch from Stockholm on Apr. 22. Norwegian forces, the dispatch went on to say, were holding the Germans within short distances from their points of landing.

According to the same dispatch, the alleged rapid arrival of large contingents of Allied troops in Norway has made a great impression throughout Scandinavia, tending to restore confidence lost through frequent lateness of aid in the face of aggression. Evidence of this, it was stated, was the bolstering of Norwegian defenses and the growing determination of the Swedes to defend their neutrality. Swedish guards, the dispatch said, had been warning off and shooting at German planes violating Swedish territory.

Seeking to hinder German aerial activity, particularly the transportation of German troops to Norway by air, British planes have carried out several bombing raids on the air base at Aalborg in northern Denmark, which has been used by the Germans since the occupation of that country. Considerable damage is reported to have been caused by the British raiders, although Berlin, as usual, minimizes Allied claims.

The Trojan Dove



Punch

Hitler to Goering: "It came to me in a nightmare, Hermann!—my secret weapon against the Allies."

Apart from all this, war news now centers on alleged Allied and German intrigues in the Balkans and the possibility of a Nazi invasion of Holland. Martial law was clamped down on Holland on April 19—due less to the situation abroad than to internal considerations, *Havas* reported from Amsterdam. The Netherlands Government apparently fears a *putsch* by pro-Nazi elements within the country and is reportedly preparing to dissolve all "extremist political parties receiving orders from abroad, such as the Nazi and Communist parties."

A sensational report from Paris by *United Press* on April 22 stated that Britain and France had informed Italy that they would not tolerate the slightest change in the *status quo* in the Mediterranean. The Allies also reportedly warned Rome that they would no longer recognize Italy's non-belligerency if Italian forces should occupy any part of Yugoslavia, even for "protective" purposes. Authority for this information, according to *United Press*, was a French Foreign Office "informant." The alleged Allied warning to Italy followed rumors that Mussolini was contemplating the occupation of the Dalmatian coast, which is part of Yugoslavian territory, but Rome denied that any such warning had been received.

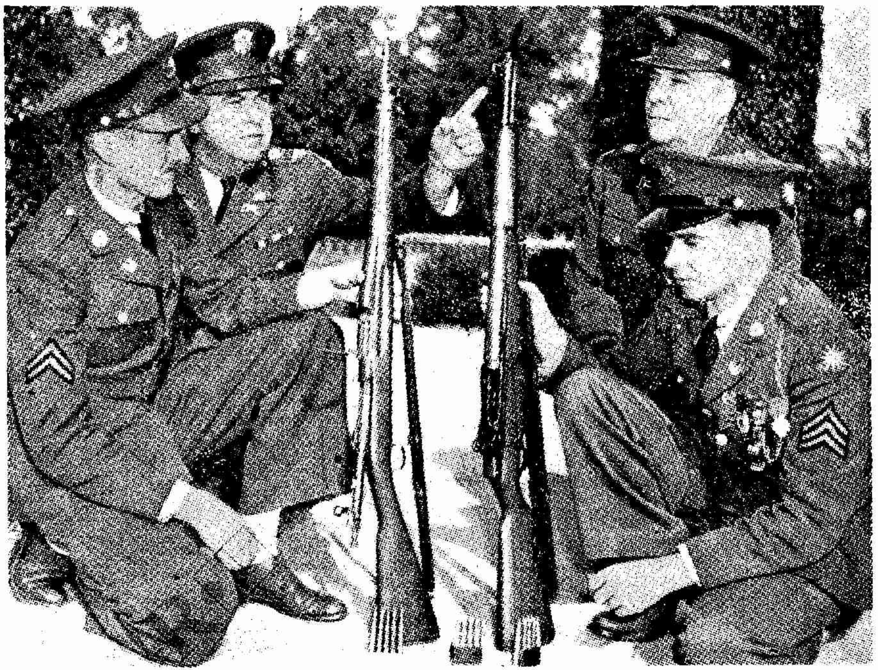
A tendencious *Havas* report from London on April 22 declared that the Balkans had a narrow escape from embroilment in the war at the beginning of this week and asserted that Hitler had seriously considered invading Yugoslavia and Hungary and was moved from his purpose only by Mussolini's failure to prepare for a simultaneous *coup* in the southeast. Hitler, the report said, expected his aggression on the two Balkan countries would compel Mussolini to intervene in Yugoslavia to protect Italian interests and that the war would then have spread to southeastern Europe, where the Allies have expressed their determination to maintain the Balkan *status quo*.

The diplomatic correspondent of the *Berliner Boersenzeitung*, on the other hand, alleged the same day that the Allies were planning to extend the war to the Balkans, which, he said, had again become the object of an Allied propaganda barrage—"A poisonous cloud, filled with rumors, threats of aggression and anxieties is rolling down the Danube as far as the Black Sea. States are being enumerated at whose doors either German, Italian or Russian troops are stationed, ready to violate the peace."

The Allies violated Norway's neutrality. Germany replied by taking over Denmark and invading Norway. In the current wave of propaganda and intrigue regarding the Balkans, each one will decide for himself which is blacker—the Allied pot or the Nazi kettle—since both sides, being out to win the war, naturally seize every advantage they can and then try to dress their actions in the garb of a more or less disinterested idealism. That the situation in the Balkans is highly explosive is indicated by the action of the American legation in Budapest, which on April 22 advised all Americans residing in Hungary that it would be wise for them to return to the United States while facilities are still available. Americans in Yugoslavia have been similarly warned.

Britain, meanwhile, is busy courting Stalinist Russia again. On April 19, Lord Halifax, British Foreign Secretary, proposed to M. Ivan Maisky, Soviet Ambassador in London, that conversations be opened with a view to arriving at an Anglo-Soviet trade agreement, and a favorable Soviet response is anticipated in London quarters. Britain, of course, would find it highly advantageous to buy Russian products, both because of her own shortages and also in order to diminish the supplies which Russia has available for export to Germany. The Soviets, on the other hand, would like to buy British heavy goods, especially machinery and machine products which Germany, due to the requirements of her war economy, cannot now supply to Russia even if she would. It has been hinted that an Anglo-Soviet trade agreement will be entirely possible if Moscow agrees to cease purchasing supplies in neutral countries for German account, including goods purchased in the Far East and shipped to Vladivostok, whence they reach Germany via the Trans-Siberian Railway.

Fires 54 Rounds A Minute



Wide World-Business Week

The new Garand rifle (right) now being used as standard equipment for the U.S. Army. The guns are being produced at the rate of 4,000 a month at the Springfield arsenal and also by the Winchester Repeating Arms Company, which will turn out 3,000 a month. About 25,000 have now been delivered to U.S. troops. The chief feature of the new rifle is that it fires 54 rounds a minute, as compared with the present Springfield (left) which fires 10 rounds a minute. The Garand rifle gets its name from the inventor, an officer in the U.S. Army. The new rifle dispenses with the cumbersome bolt.

Britain's second war budget was introduced in the House of Commons on April 23 by Sir John Simon, Chancellor of the Exchequer. It revealed, as anticipated, astronomical figures. The total expediture to be provided for is £2,667,000,000, of which £2,000,000,000 is for war purposes only. During the first seven months of the war, the Chancellor of the Exchequer revealed, Britain spent £905,000,000. Now the income tax is to be raised from 7/- to 7/-6d in the pound. The pre-war rate was 5/6d. Many other taxes are to be correspondingly increased.

British art collectors, concerned for the safety of their treasures, are shipping them to the United States and Canada, it was reported last week. Shiploads of paintings, antique furniture, porcelains and curios are crossing the Atlantic from England and being loaned to museums in New York, Washington, Boston and Cleveland. A similar exodus is taking place from France.

Another indication of the migration of wealth to America was a set of statistics published early this week by the Federal Reserve Board in Washington, which showed that Europeans have invested more than $1,000,000,000 in the United States since the European war began last September, usually in the names of other persons. According to unnamed officials, quoted in a *Reuter* dispatch from Washington, a large part of this wealth is believed to have come from Germany.

A revealing exposition of Allied war aims was contained in an editorial published by the *North-China Daily News* on April 19. Wrote the paper: "The war aims of the Allies have been quite plainly stated. They include such action as shall for all time prevent the Reich from becoming the menace to Europe (read British and French Empires) which it is at present, and to protect the smaller nations from the aggression of which the Germans have been so manifestly guilty. If that eventuality entails the subdivision of Germany into its component states and the maintenance of an unceasing vigilance over their domestic affairs, who for one moment will blame the Allies? . . it would be foolish to follow the processes adopted at the conclusion of the last war. The Allies then failed to learn their lessons and are being obliged to relearn them after all these years. To make the same mistakes as those which were made twenty-two years ago would be the height of foolishness and it is to be hoped that when peace comes to be negotiated the realistic outlook of the French will hold the day against that sickly sentiment which seeks to moderate the blow of defeat to a fallen enemy."

Thus the world is presented with the alternatives of the Balkanization of Europe if the Allies win, or the Hitlerization of Europe if Germany's arms should prevail. Neither offers prospects of real peace and economic well-being, as anyone can see who gives the matter a little thought. But perhaps, as the war proceeds, a more attractive alternative will begin to emerge.

Keep the Dime-Eating Tigers Out of the Foreign Settlement!

AMERICANS call them "One-arm Bandits." The Chinese have a more picturesque name—"Dime-eating Tigers." We are referring to slot-machines, a 50-year-old gambling device which has become as familiar in Shanghai as it is in certain parts of the United States, where it stands for a $50,000,000 industry. However, it is rapidly being unlawed in most states of the U.S.A.

When ratepayers of the International Settlement gathered at the Race Course last week for their annual meeting, a Russian lawyer, N. M. Shoolingin, brought forward a proposal that the Shanghai Municipal Council consider the licensing of slot-machines. One thousand machines, licensed at a fee of $100 each per month, would yield the Council a revenue of $1,200,000 annually and help to balance the budget, he pointed out.

Slot machines are prohibited in the International Settlement and in places where they have appeared they have been seized by the police. The authorities of the neighboring French Concession enforce no such taboo and derive a handsome revenue from licensing the dime-eating tigers. No one has been able to compute the amount which goes into these machines each month and each year, but it must be enormous. The dime-eaters are to be found in bars and cabarets all over the Concession. Hundreds, if not several thousands, are in operation, and the "take" depends upon the location. In well-patronized bars, cabarets and clubs they represent an enormous business. In one cabaret in Frenchtown, five slot machines pay the entire rent of the establishment, and the "suckers" in this case are mostly taxi-dancers and their patrons.

There are several places in the International Settlement where slot-machines are operated—many of them without a formal violation of the S. M. C. edict against gambling devices. One place is a popular club operated by one of the foreign defense forces, but in this case the men made such a good deal with "Jackpot" Riley, owner and operator of most of the machines in Frenchtown, that most of the profits go toward the upkeep of the club instead of Riley. Riley is an unrecognized American* who came to the Far East with one of the U.S. Services and remained here following the expiration of his term of enlistment. With profits he has amassed as an operator of the slot-machine racket, he has invested in other lines of business, chiefly the restaurant and cabaret world. Among his enterprises is a Russian restaurant, known as "D.D.s" on Avenue Joffre, for which he is said to have paid U.S.$10,000. Needless to say, D.D's is well stocked with slot-machines, the clatter of which is far from conducive to a restful atmosphere for diners.

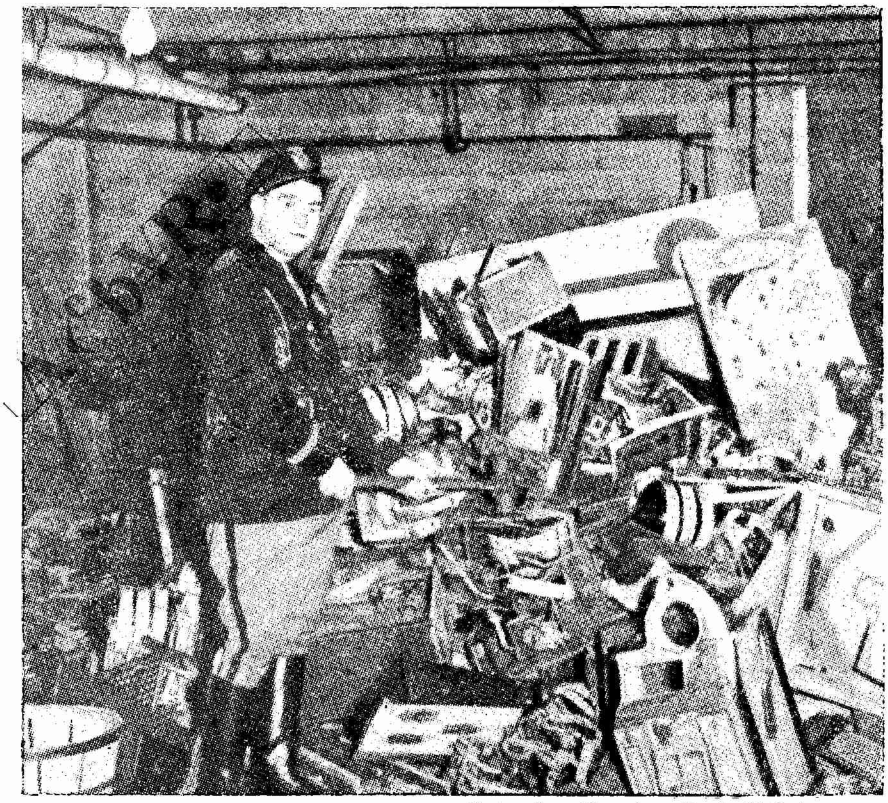
Another Riley enterprise, a recent acquisition, is Farren's, a night club, restaurant and gambling resort, located in Ta-tao and Japanese-controlled territory, off Great Western Road, in the vicinity of the Columbia Country Club. An article in the *Shanghai Evening Post* on Monday, April 22, alleged that Carlos Garcia, well-known operator of gambling houses in western U. S. A. had sent an agent here to purchase the Farren institution, but that Jack Riley forestalled him by making the purchase a few days prior to the arrival of Garcia's agent.

Aside from the servicemen's club numerous other clubs and so-called "clubs" and bars in the International Settlement operate Riley's slot-machines on a commission basis.

Riley, in the past few years, has accumulated a large fortune from his slot-machine business. A close acquaintance of his recently estimated his monthly net income from the dime-eating tigers at something like $12,000 ,or $150,000 a year. In fact Riley, thanks to exceptional circumstances, was able to almost "corner" the local slot-machine market and set up a virtual monopoly. The Chinese Government, some years ago, prohibited the importation of gambling equipment of all kinds. Riley had already imported a number of machines and bought up a number already here—including some which he purchased from the Frenchtown police who had seized them from bars and cafes which had been operating them without a license. He placed these machines in cafes and bars all over the Concession, giving the owners of these establishments a rake-off for the privilege. He of course gets the full "take" of machines placed in his own premises.

Chinese authority was expelled from this area after the Japanese invasion of 1937. Now it is reported that slot-machines are again being imported here, in defiance of Customs regulations which

Slot-Machine Graveyard



Saturday Evening Post, U.S.A.

This picture indicates the culmination of a campaign in the state of Indiana, U. S. A. for the elimination of the slot-machine racket. It shows a state trooper in the act of smashing up several thousands of dollars worth of "one-arm bandits," or, as the Chinese call them, "dime-eating tigers."

**In some quarters Riley is said to be a Canadian, but opinion among his friends is that he is (or was) an American citizen.*

have never been revised. Is there some connection between the proposal made at the Ratepayers' Meeting and this fresh influx of dime-eating tigers? Mr. Shoolingin, who advanced the proposal, is an obscure local lawyer. He told the ratepayers that he was speaking on behalf of a Mr. Rabinovitch. It has been rumored, however, that he is working for "Jackpot" Riley. If not, then it would appear that someone is trying to "horn in" on Riley's lucrative racket.

The proposal was not treated seriously at the Ratepayers' Meeting. Nevertheless it is apparent that a drive is on to extend the slot-machine business from Frenchtown into the International Settlement. Riley or his intending competitors figure that the present acute financial embarrassment of the Shanghai Municipal Council will make revenue from slot-machines seem more attractive than it has in the past.

It is clear, however, that the introduction of slot-machines would represent only the thin end of a wedge which ultimately would open wide the Settlement to licensed gambling of all descriptions. If slot-machines were licensed, there would be no logical argument against permitting faro tables, roulette wheels and all the rest. It might be said, of course, that slot-machines relieve patrons of their money fairly slowly, painlessly, and in small sums, whereas the more pretentious gambling devices can bring utter ruin in the shortest space of time. This is not altogether true. There are many people of quite slender means who have become slot-machine "addicts." Men and women have been known to lose as much as $150 in one machine at a single session. To do this they have to work at the lever perhaps eight hours. But such is the peculiar fascination this futile and wasteful occupation has for some, that they willingly labor at it hour after hour, emerging from the ordeal in a lather of perspiration, with calloused hand, and with all the marks of exasperation and frustration written on their faces. Yet they knew, or should have known, at the outset that they couldn't win.

In permitting the Asia Club, a Japanese-protected gambling house, to operate on Gordon Road the S.M.C. has indeed already allowed the insertion of the thin end of the gambling wedge. The theory upon which it is allowed to operate is that the premises in question are a private club. For similar reason other clubs were allowed to have slot machines on the premises. If, the Council were to start licensing slot machines the Settlement would be well on the way to becoming a gigantic "Badlands" such as we already have on the western outskirts of the city in territory controlled by the Ta Tao Municipality and the Special Service Section of the Japanese Army.

An exposure of the slot-machine "racket" published in the *Saturday Evening Post* (Philadelphia) on May 13, 1939, contained the following technical description of the machine and the system which it—and its proprietor—employs to separate the player from his hard-earned money:

"The machine has three reels, gaily decorated with fruits, bells and bars. The player inserts his coin, yanks the arm-shaped lever at the side—hence the name "one-armed bandit" —and sets the reels whirling. Behind the winning symbols are tiny rods which, as the reels stop one at a time, drop into pay-out holes. If the proper combination of symbols appears on the reels, the line-up of rods automatically releases coins to the player. To dump the jack pot—an enticing heap of nickels gleaming from a glass receptacle at the bottom of the machine—three bars are needed.

"Bandits are manufactured not only for nickels but for pennies, dimes, quarters, halves and even silver dollars. The lure that the machines exert is amazing. Women and children as well as men will wait in line to play them. The newer 'bandits' accommodate from five to seven persons at one time. It isn't unusual for a machine to take in ten to twenty dollars a day.

"Crusaders point to the profits as proof that the machines are rigged. Let us see just what the odds against the player are.

"Take a machine with twenty symbols on each reel—some have ten, others thirteen. Eight thousand combinations are possible—twenty times twenty times twenty. The first reel will have four bars, the two other reels a bar apiece. Since the reels stop one at a time, it adds to the suspense to have a flock of bars on the first reel. The odds against dumping the jack pot on this machine would be 2000 to 1—one out of five on the first reel, multiplied twice by one out of twenty.

"This provided the machine hasn't been fixed. One or two pay-out holes into which the rods behind the bar symbols must drop have only to be soldered shut to raise the odds to 4000 to 1. Or the bars can be doctored never to line up, so the jack pot can't be touched. Another common method of fixing a 'bandit' is to attach so-called 'percentage disks' to the reels. This slows them on losing lemon symbols.

"There is less rigging of bandits than is generally supposed, for the simple reason that there is no need to rig. Manufacturers insist that machines leaving their plants are geared to pay off seventy-five cents on the dollar. This doesn't mean you can play a 'bandit' for an hour to two and lose only one fourth of your money. The pay-offs come in small hits, two to six coins. These usually go back into the machine. The fast play of the 'bandit' does the rest. It requires only five to ten seconds to insert a coin, yank the arm and watch the reels come to rest. In two to three minutes a dollar will be shaved to seventy-five cents. In five to six minutes, to fifty-five cents. In ten to fifteen, to memory."

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11 Killed, 69 Wounded In Big Rangoon Clash

Eleven persons were killed and 69 injured in Rangoon last Sunday in an outbreak of what *Reuter* described as communal disturbances which began on the eve of the celebration of Mohammed's birthday. Police and troops called out to restore order after six persons had been fatally stabbed, the agency said, fired into a "mob" of Hindus and Moslems on the streets of the city, presumably causing the balance of the casualties. A *Transocean* version of the incident, contained in a report from Batavia, made no mention of communal disturbances, stating instead that clashes had occurred between Hindus and Mohammedans on one side and police on the other.

Franco-Japanese Trade Understanding Extended

Prolongation of the French-Japanese trade understanding for another month, until May 15, was announced in Tokyo on Apr. 18. The accord expired Mar. 15, but was extended for one month pending conclusion of a new understanding. This has not yet been reached. Hence the prolongation of the old accord, it was officially stated.

More Foreign Missions Bombed by the Japanese

The hospital of the American Catholic Mission at Chihkiang, Hunan, was demolished Apr. 12 by Japanese bombers who attacked that city, according to information received by the State Department in Washington. The following day the Catholic Mission at Linchwan, Kiangsi was bombed and many casualties were caused when a building housing refugees was hit. A large American flag was painted on the roof of the mission church, while the other buildings in the mission compound were marked with white crosses.

Singapore Donates Sum Of £1,000,000 to War

The Legislative Council of the Straits Settlements on April 22 approved a gift of £1,000,000 to the British war fund. This followed a similar gift in February by the Federated Malay States.

55 Persons Arrested in Narcotics Squad Raid

A big haul of drug peddlars and opium addicts had fallen into the hands of the law last week as a result of three separate raids on the Central Hotel, Canton Road, by members of the Narcotics Section of the Shanghai Municipal Police. In all, 55 persons were placed under arrest. On the night of April 18 the police raided a house in Lane 305, Fokien Road, arresting four men and seizing a considerable quantity of opium.

Chungking Posts Reward For Japanese Agents

The Garrison Headquarters in Chungking last week offered a cash reward of $100,000 for information leading to the arrest of agents in the pay of Japan and seizure of their radio sets. The offer of reward followed reports that agents of Japan were using portable radio sets in the wartime capital for communicating reports on weather conditions and other information of military value to the enemy.

NAZI SUPERIORITY IN THE AIR

Editor's Note:—The following article, together with the accompanying table, has been reproduced from Time Magazine for Mar. 18, 1940.

LAST week while the R.A.F.'s flying cavalry patrols were ranging as far east as Poland on night reconaissance flights, Air Secretary Sir Kingsley Wood went to the House of Commons for approval of an "unprecedented" budget estimate for the Air Ministry, promptly got what he asked for by way of a £100 token appropriation. Outwardly enthusiastic was Britain's Air Secretary as he solemnly announced that Allied production of war planes was now greater than Germany's, that output of the R.A.F.'s snappy first-line pursuit jobs — the Supermarine *Spitfire* and Hawker *Hurricane*—had been doubled in the past six months, while production of heavy bombers had increased 50%.

This optimism did not check with the 55-45 odds on Germany to win advanced by such gloomy U.S. wiseacres as Ambassador to the Court of St. James's Joseph Kennedy. Above all it did not check with the most reliable figures available from neutral sources friendly to the Allies. These (incidentally showing the U.S. well behind not only the belligerents but Italy and Russia as well) showed that Germany's superiority in air equipment was likely to grow for some months.

For beyond showing that Germany has a heavy superiority over the Allies in air force's prime striking weapons—bombardment (*see table*)—the figures, well thought of in Washington, also showed that she was far ahead of them in her productive rate. Worse than that was the estimate of the future; that by September Germany's rate of airplane production will have been so stepped up that she will be able to duplicate her present air force every four months.

According to the Washington reckoning Germany is turning out 2,300 planes a month—43% more than the combined output of France and Britain. Britain, despite stories of increased production, despite the fighting talk of Sir Kingsley Wood, fell from a rate of 1,200 a month in December to 800 in January, may be presumed to have recovered to the 1,200 rate by now. And France, whose production was down to 40 a month early in 1939 while her factories were recovering from socialization under the Popular Front, has never been able to top 400 a month. Total maximum production for the Allies: 1,600 a month.

For any hope of matching Germany plane-for-plane, the Allies must rely most heavily on their own plants. Even when they lay down their long-delayed order in the U.S. for $1,000,000,000 in planes—they can scarcely hope to have all delivered before 1942. But Germany, stepping up production, is aiming at a monthly output of 6,000 by September.

From last week's "most authoritative" figures it was plainer than ever that Air Marshal Goering's Air Force was built for one purpose: an assault on the Allies with emphasis on heavy bombardment. The higher percentage of pursuit in the Allied forces illustrated the fact that France and Britain have been building a defensive force to fight off Germany's bombers, have lagged on the weapons the Allies need to strike a heavy counterblow.

Air force doctrine (untried in modern war) says that a pilot may wear out as many as three planes. But pilots eventually wear out too. The number of German training planes is proof that onetime Pursuit Pilot Goering has not forgotten this lesson. Germany's training equipment is about 25% greater than that of the Allies, and it is a safe guess that it is being used to turn out replacements at a proportionate rate for the oil-smeared, firebitten men who will go down if the air war is begun on a full-dress scale.

In development of high-performance pursuit types, Sir Kingsley could, and did, justifiably take pride—a pride which he showed last week in the somewhat extravagant statement that he would pit a hundred *Spitfires* or *Hurricanes* against a much larger number of German counterparts, which would mean Messerschmitt *Me. 109's*, or Heinkel *He. 112's*. For *Hurricanes* and *Spitfires* have been vastly improved in performance (principally by replacement of antiquated wooden propellers by American-type, constant-speed metal props). And the *Spitfire*, traditionally nimble in dog-fight, has been stepped up to close to 400 miles an hour in top speed, may well be the fanciest single-engined pursuit ship in Europe.

Strictly defensive in strategy, and short on range, neither *Hurricane* nor *Spitfire* can be used as fighter escorts on long-range reconaissance or bombing missions, and neither Britain nor France has brought out an escort fighter like the U.S.'s new twin-engine, high-speed, long-range Lockheed *P-38*. Germany has: the cannon-carrying Messerschmitt *Me. 110*, a twin-engine speedster that will be used to keep the *Spitfires* and *Hurricanes*, the French Moranes and American Curtisses off the backs of busy bombers. Last week in the House of Commons, when Laborite High Dalton observed that Britain had no counterpart of the *Me. 110*, there was no one there to contradict him. And until Britain develops an escort fighter it will have to rely for that work on a poor makeshift—light bombers, armed to do a job they were never built to do.

In bombers Britain's (and the Allies') best bet is the big, rugged Vickers *Wellington*, a husky, reliable weight carrier with a top speed of 265 m.p.h., and the lighter Bristol *Blenheim* (about comparable in size to a Lockheed *12*) with a maximum of 295. But both need fighter escorts, are not to be compared in speed with the new German Junkers *Ju. 88K* which has a top speed of 330 m.p.h., can show its heels to pursuit with any kind of start. To *Ju. 88K*, and the somewhat slower Heinkels and Dorniers, Britain has several answers, now in production: the light Bristol *Beaufort*, with a top around 310 m.p.h., the Handley Page *Hereford* (a super-powered version of the service *Hampden*) and many others.

France, coming gradually to life, is stepping up the performance of its Amiot *370*, its Bloch *131*, its Liore-et-Olivier *Le 0-45*, by new design. Given time the Allies may yet overhaul Germany, may even outfoot her if the hard-pressed Nazis run out of their hoard of raw materials: copper, aluminum, etc. But last week, with spring flying weather opening up, the gloomy looked at Joe Kennedy's odds and wondered.

Combatant and Non-Combatant Air Forces

	BOMBARDMENT Heavy & Medium	PURSUIT	FIGHTERS Twin Engine	ATTACK & LIGHT BOMBARDMENT	OBSERVATION and PATROL	TRAINING	MISCELLANEOUS	TOTAL
Great Britain	3,225	2,800	0	4,050	2,500	2,825	2,075	17,475
France	1,200	1,850	0	975	700	800	25	5,550
Germany	7,900	4,300	850	1,050	2,400	4,500	1,550	22,550
Italy	1,600	1,200	100	650	900	1,000	0	5,450
Russia	2,700	2,235	0	650	2,025	1,000	800	9,410
United States*	550	675	0	800	850	1,000	900	4,775

*Estimate as of Jan. 6.

Irish Rebel Dies After Prolonged Hunger Strike

Anthony Darcy, a member of the Irish Republican Army, died in Mountjoy Prison, Dublin, last week after a prolonged hunger strike. A number of other prisoners have been engaged in a similar fast and five were reported to be in a critical condition. The men refused food in an effort to force the authorities of the Irish Free State to afford them the privileges usually accorded political prisoners, it was reported.

Nippon Planes Bomb Szechwan as Chinese Troops Press on Nanchang

WITH Chinese forces continuing to exert pressure on Japanese positions at Nanchang, capital of Kiangsi Province, and with military activity in Shansi Province showing signs of renewed vigor, Japanese bombing squadrons went into action over Szechwan Province on April 22, but kept clear of Chungking, the wartime capital of the Chinese Government.

Fifty-four Japanese bombers from Hankow, in groups of 27, 18 and nine, passed close to Chungking during the night, causing the city to be blacked out for more than five hours. One group of bombers headed for Chengtu, Szechwan's provincial capital, but at this writing it is not known what damage, if any, was caused by them. Another group dropped bombs on Kikiang, 50 miles southwest of Chungking, while the third carried out raids on smaller cities. Consequences in all cases have not yet been reported. A number of social functions in Chungking were cancelled when the air-raid alarms were sounded, *United Press* reported, but a press party for Mr. Shao Li-tze, newly-appointed Chinese Ambassador to Moscow, was held according to schedule.

Pressure on Nanchang

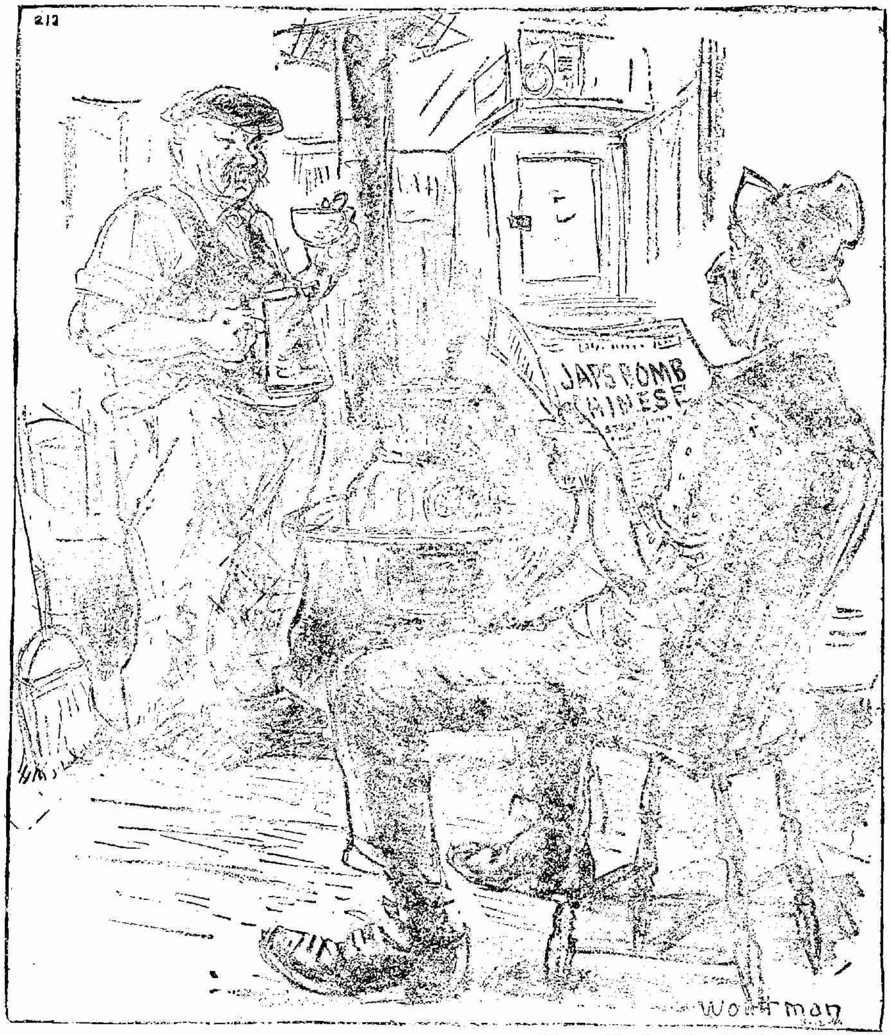
A *Reuter* report from Chungking on April 21 quoted a Chinese military spokesman as declaring that pressure on Japanese forces in the Nanchang-Hankow area is continuing. Chinese troops, he said, had the previous day captured Sishan and Washoukung, two important points in the western suburbs of Nanchang. Chinese troops at Hsishui, on the northern bank of the Yangtsze below Hankow, were said to be moving westward towards Tuanfeng and Huangkang, east of Hankow, while a northern column was advancing southwestward along a highway towards points north of Hankow. A third column on the Han River was attacking points in the vicinity of Chungtsiang, west of Hankow.

The Japanese Army spokesman in Shanghai told the press on April 22 that recent Chinese reports of victories and of Japanese troop withdrawals in the Nanchang area were untrue. He admitted, however, that "a certain redistribution of forces" had been taking place in the Nanchang area for strategic reasons.

A *Kuo Min* report from Sian on April 21 said that Chinese troops in southern Shansi had scored a notable victory culminating in the recapture of Maotsingtu, strategic point on the northern bank of the Yellow River, and several villages in the vicinity. Japanese troops, it was claimed, were completely routed and suffered heavy casualties which included more than 1,000 killed.

A Japanese field dispatch, three days earlier, claimed that Japanese forces in southern Shansi had been engaged in a "three-sided lightning offensive" which resulted in the expulsion of 20,000 Chinese troops from a wide area. The Chinese troops, it was stated, had been driven to the bank of the Yellow River "where they are now at the mercy of the Japanese forces." The dispatch claimed the capture of the ferry crossing at Maotsingtu. Chinese reports admitted that the crossing had been briefly held by the Japanese, who then were driven out, they said.

Boycott Possibilities



New York World-Telegram

"Gee, Mopey, I wisht I had money to buy a lotta goods so I could boycott 'em by not buying any."

Villages Burned Down

Taking revenge for the actions of Chinese guerrillas who attacked Japanese detachments in the Hungjao area, on the western outskirts of Shanghai, on April 15, Japanese troops went into action on the morning of April 19 and razed a number of Chinese villages where they believed guerrilla fighters were sheltering. Guerrilla fighters came out of hiding to engage the Japanese incendiaries, and the sound of rifle shots and machine-gun fire was heard to the accompaniment of the crackling of fires as peasant dwellings went up in flame and smoke.

According to information received in Shanghai, the Japanese were ruthless, firing on any Chinese who did not stand still. It was believed that they killed at least 200 Chinese civilians. Several wounded Chinese came into Shanghai for surgical treatment.

Puppet Troops Suspected

It was reported that Chinese puppet troops had come under Japanese suspicion of having connections with the guerrillas. Some 200 to 300 of these troops, according to a traveller from Soochow, were recently sent to that city from Shanghai. At Soochow they were surrounded by Japanese troops and disarmed, 30 being killed in the process. Officers of the detachment were being intensively questioned by the Japanese, it was stated.

Despite well-authenticated reports of considerable Japanese activities against guerrillas in the Shanghai area, the local Japanese Army spokesman declared on April 22 that there had been no large-scale operations. Japanese forces, he said, were not seriously troubled by guerrillas in China.

Abe Mission Reaches Nanking for Parleys With Puppets; Chungking-Communist Rift Reported

ON Friday of this week (April 26), Nanking was to witness another colorful puppet show, the occasion this time being the celebration of the "return of the National Government" as it is described by the puppet official circles in Nanking. Although Wang Ching-wei would continue to hold the spotlight, the show was to have been staged mainly for the benefit of a retired Japanese general and ousted premier Gen. Nobuyuki Abe who has arrived in China as Japan's special envoy to the Wang regime.

As pointed out in these columns last week, the arrival of Gen. Abe in Nanking is an event of considerable importance to future Wang-Japanese politics. The reports circulated by Japanese and Nanking sources that Gen. Abe has come to China chiefly for the purpose of offering congratulations to Wang Ching-wei and his cohorts, are nothing but a smokescreen for some dark mission which Gen. Abe has been charged to perform. Whether or not he has brought with him a prepared treaty for Wang Ching-wei to sign cannot be ascertained; it can be assumed, however, that Gen. Abe's presence in Nanking is to mark the beginning of the execution of Japan's plans for domination over China.

Must Deliver the Goods

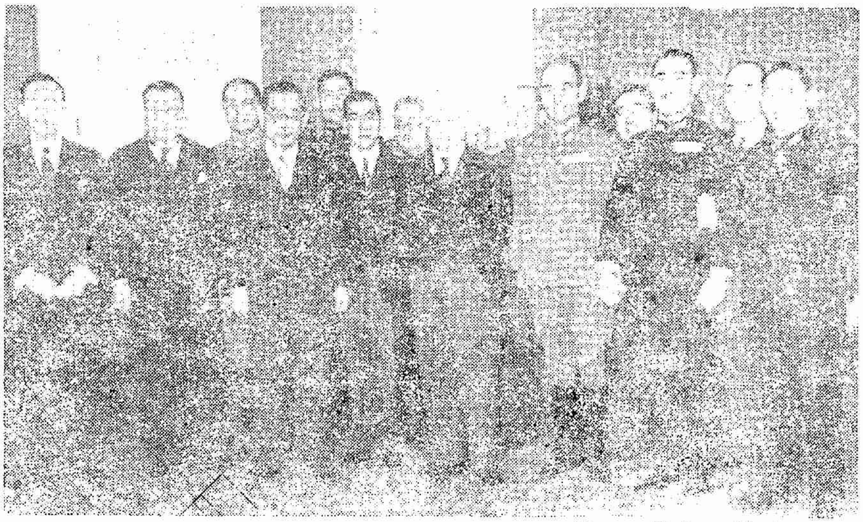
Japan has done much to raise Wang to the heights of puppet dignity. Now, it seems that Wang must do something in return. He has to convince the Japanese militarists who have been his backers that he can do what he has promised. With the arrival of Gen. Abe, who combines in his person the dual role of bearer and executor of the Japanese Army's instructions, the Nanking regime is now facing its first crucial test of fitness to survive. Sponsored and propped up by the Japanese Army, its continued existence must necessarily depend upon the amount of satisfaction Wang can give in meeting Japanese demands. If Wang fails to live up to Japanese expectations, or finds himself unable to implement his promises, it is not unlikely that the Japanese warlords will eventually unseat him and look for some more competent puppet.

Since its establishment some four weeks ago, the Nanking regime has confined itself mainly to re-echoing Japanese slogans or Sino-Japanese peace, Sino-Japanese cooperation and the creation of a new order in East Asia. This phase of Nanking's work now seems to be drawing to a close and the time has arrived when Nanking must begin to settle down to the serious business of executing Japanese demands. Therefore, the future developments in Wang-Japanese politics are likely to be of considerable interest.

Japanese Recognition Soon

Gen. Abe and his large retinue left Tokyo for China on April 15. They sailed from Kobe for Shanghai on April 18 aboard the S.S. *Kashima Maru*. Passing through but not stopping at Shanghai on April 21, Gen. Abe and his mission reached Nanking on April 23. The Japanese embassy spokesman in Shanghai on April 22 emphasized the point that Gen. Abe is merely "envoy extraordinary" of the Japanese Government and should not be termed an ambassador. Tokyo is expected to speedily recognize the Nanking regime, the spokesman added, and as soon as recognition is accorded Gen. Abe will become the ambassador.

Japan's Mission to Nanking



Press Union Photo

Pictured here are members of the Japanese mission, headed by General Nobuyuki Abe, which arrived in Nanking Apr. 23 to attend the formal celebration of the establishment of the puppet Wang Ching-wei regime. The group includes Shinrokuro Hidaka (third from left), councillor of the Japanese Embassy; Ken Inukai, son of a former Premier; Tsuyoshi Inukai, friend of the late Sun Yat-sen; General Abe; Major-Gen. Sadaaki Kagesa and Rear-Admiral Hikojiro Suga.

Elaborate preparations for the celebration of the "return of the National Government to its capital" have been made in Nanking. A day-long broadcast program on April 26 was planned for the occasion. Among those who were to speak over the air were Wang Ching-wei, Gen. Abe and Lin Pai-sheng (Nanking's publicity minister). Celebrations were also scheduled to be staged in Shanghai, Hangchow and other Japanese-occupied cities.

While Wang Ching-wei's press organ, the *Central China Daily News*, hailed the Abe mission as marking the beginning of real Sino-Japanese cooperation, the *National Herald*, a Chinese daily in Shanghai, expressed the view that the mission of Gen. Abe is to direct the affairs of the Nanking regime as the real head of the new "central government."

Beginning of Peace ?

The *Central China Daily News*, in an editorial on April 21, said: "Gen. Abe's visit is not only to congratulate us. His visit signifies the beginning of cooperation between China and Japan as well the enforcement of the peace schemes. It represents the beginning of the momentous task of establishing peace in the Far East."

Continuing, the article said: "Japan is a peace-loving country, and Gen. Abe, during his visit in China, will find that China is also a peace-loving nation. With all misunderstandings removed between these two peace-loving countries, there will be no cause for conflict. In welcoming Gen. Abe's arrival in China, we wish to remind both the Chinese and Japanese peoples that we shall try to secure mutual understanding and respect for the establishment of permanent peace in East Asia."

The *National Herald*, however, thought little of Gen. Abe and his mission. As far as Gen. Abe's effort to settle the China Incident is concerned, the paper predicted that he is doomed to failure. Commenting on the purpose of Gen. Abe's mission, the journal said: "Realizing that Japan cannot beat China to her knees, Japan has launched a political offensive in organizing the new puppet government. In order to make it possible for the new puppet government to fulfill their expectations, the Japanese authorities have found it necessary to send a former premier to China to direct the affairs of the Nanking regime."

Due for Disappointment

Japan hopes, the paper continued, that by sending Gen. Abe to China it will be able to dispel the anxiety of the Japanese people, who are wearied of continued warfare on the Continent. By sending Gen. Abe to China, the Japanese people may be induced to believe that the "China Incident" will be settled at last. But the Japanese people will be greatly disappointed, the *National Hearld* asserted.

In a way, the opinion of the *National Herald* on the Abe Mission and the Wang Ching-wei government was shared by Y. Suma, Japanese Foreign Office spokesman, who, in a speech on April 17 in Osaka, warned his audience that the inauguration of the Wang regime in no way means the end of the China Incident. Suma said that Japan must show fortitude and patience with China "for years to come." The real settlement of the China affair, he said, will come only after many years. Mr. Suma emphasized that Japan should concentrate her efforts on the settlement of the China incident, aside from which, he explained, Japan has no other foreign interest.

Cabinet Members Arrive

Whether by coincidence or previous arrangement, three Japanese cabinet ministers arrived in China simultaneously with the Abe mission. They are Shigeru Yoshida, public welfare minister; Tsuruhei Matsuno, minister of railways; and Gen. Kuniaki Koiso, overseas affairs minister. They toured the various parts of Japanese-occupied China last week, with Peiping, Nanking, Hankow and Canton as the major points of visit, and also inspected the war fronts.

Wang Ching-wei paid a flying visit to Hankow on April 17, returning to Nanking on the following day. During his visit there, *Domei* reported, Wang acquainted himself with political conditions in the Wuhan area and paid courtesy calls on the Japanese Army and Navy authorities.

Addressing foreign correspondents in Hankow on April 17, Wang discussed the questions of the reopening of the Yangtsze River, the anti-Communist movement, and the rendition of foreign concessions in China. Regarding the first question, Wang said that it was but a matter of time before the river would be opened to free navigation, but he could not give a definite date when this would take place. With regard to foreign interests connected with the Yangtsze, Wang said that his government respected all legtimate rights of third Powers but pointed out that these powers would have to reciprocate.

An Internal Problem

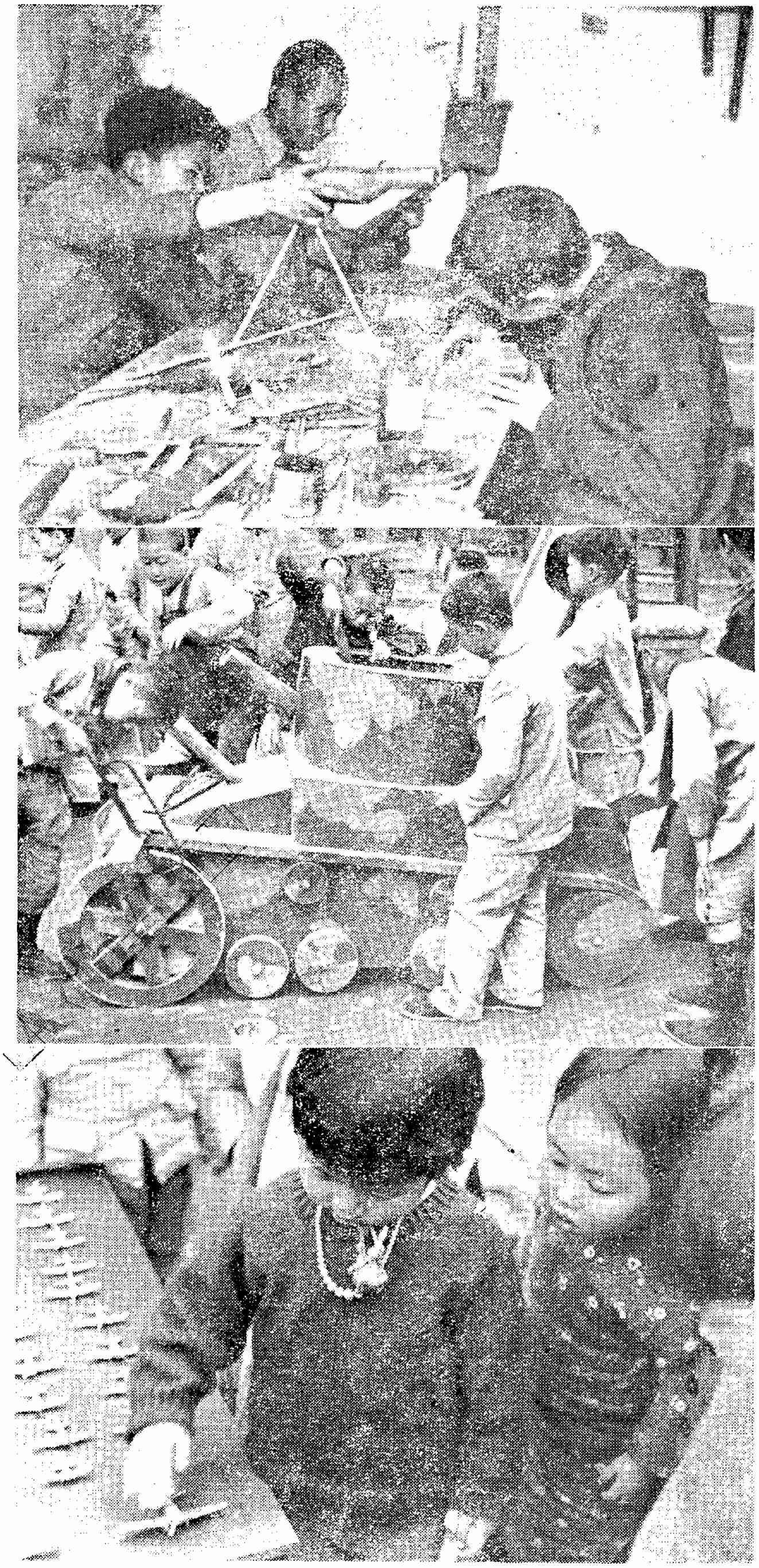
Asked to state whether the anti-Communist campaign in China would mean a campaign against the Comintern, Wang replied that the former was an internal problem for China and, while it did not necessarily mean external action against the Comintern, the elimination of Communists in the country would make China safe and indirectly defeat the machinations of the Comintern, both theoretically and practically.

As regards the abolition of extraterritoriality and rendition of foreign concessions in China, Wang said that such rendition was the fundamental policy of the government, but it would be achieved by peaceful methods.

Speech in Wuhan

In a radio broadcast to the residents of the Wuhan cities on the night of April 17, Wang emphasized that his regime will struggle on unflinchingly in order to establish peace and order in East Asia through the enforcement of the three principles of good neighborliness, common anti-Comintern front and economic cooperation between China and Japan. He appealed to the Wuhan residents to

China's Children Become War-Conscious



Photos by Thomas Kwang

These photographs from Chungking illustrate the growth of war-consciousness among Chinese children. They show children at school fabricating or playing with models of military weapons. Old tin cans and lengths of bamboo are used to fashion bombing planes and tanks complete with guns, as seen in the top picture. Center picture shows a completed tank with appropriate camouflage effects. Below, some very tiny tots display interest in a fleet of bamboo bombers.

join their efforts with his regime in order to remove the obstacles to peace.

Returning to Nanking on April 18, Wang made a detailed report on his recent flying trips to Peiping, Kalgan, Canton and Hankow at a meeting of his Central Political Council on April 20, according to a *Domei* dispatch from Nanking which, however, did not reveal the substance of the report.

Gen. Toshizo Nishio, commander-in-chief of the Japanese Forces in China, on April 19 commended the Japanese Gendarmerie Corps in Shanghai for the efficient protection extended Wang Ching-wei and his adherents during their stay in Shanghai.

Exploitation Planned

Active steps for the promotion of Japanese economic exploitation of China, disguised under the name of economic cooperation, were initiated in Nanking on April 18, when it was officially announced that a special commission will be set up to study Sino-Japanese cooperation. The commission will consist of five persons, including Mei Szu-ping (minister of industry), Chu Ching-lai (minister of communications), Chao Yu-sung (minister of agriculture and mining), Fu Shih-shun (minister of railways) and Chen Chun-hui (chairman of the board of councillors of the Executive Yuan).

Besides determining the manner in which various industrial, commercial and other enterprises in Central and North China will continue to be operated, a *Domei* message from Nanking on the subject reported, the Commission will also study means of future economic cooperation between China and Japan on a still wider scale.

Dispute Over Weihaiwei

A minor controversy between Nanking and Peiping has developed over the control of Weihaiwei, a northern Shantung port. The question of Weihaiwei's future administrative status was first raised by Wang Keh-min, head of the new North China Political Affairs Commission. Before the outbreak of the current war, the Weihaiwei administration was directly under the control of the Executive Yuan of the National Government. With the occupation of the port by Japanese forces, however, it was placed under the control of the now defunct Peiping Provisional Government. It seems that the Nanking regime now attempts to regain control of the Shantung port.

A test of how much respect Peiping has for the authority of Nanking was furnished by the decree issued on April 20 by the Wang Ching-wei regime ordering the North China Political Affairs Commission to abolish miscellaneous taxes and duties in North China provinces. The Peiping body was also directed to report on the results of the enforcement of the order. The Nanking administration, in a previous decree issued on April 6, ordered all the provincial and municipal authorities to cease collection of taxes and duties not approved by its ministry of finance.

Kung's Resignation Demanded?

Reports issued from the Hongkong office of the *Domei* agency alleged that relations between the Kuomintang and the Chinese Communist Party are growing more and more strained. A three-point demand was alleged to have been served on Gen. Chiang Kai-shek through Madame Sun Yat-sen on April 21 by the Communist Party, demanding among other matters the removal from office of Dr. H. H. Kung, finance minister and vice-president of the Executive Yuan; Gen. Ho Yin-ching, war minister, and Chen Li-fu, education minister.

The Communists, *Domei* further alleged, accused Dr. Kung of utilizing his official position to further his personal gains; while Mr. Chen, as one of the pillars of the C. C. Group, an anti-Communist society, has always been regarded with intense disfavor by the Communists together with Gen. Ho.

The other two demands were reported to be the cancellation of preventive measures against "heretic parties," among which are the Communists, and a purge of administrative circles of elements favoring a compromise with Japan preparatory to the organization of a united national government comprising leaders of various parties and factions.

Mme Sun Denies Allegation

The *Domei* allegation was denied by Madame Sun Yat-sen. Quoting authoritative quarters in Chungking, *Reuter* said that Madame Sun, after her arrival there recently, clearly stated that she had no interest in Chinese Communists. These quarters described as absurd the Japanese report that the Communists had demanded the removal of high government officials.

The *Domei* dispatch further alleged that a formal notification was also served simultaneously on the Supreme National Defense Council that any decision of the special committee, created in accordance with a resolution at the recent 5th session of the People's Political Council and charged with the duty of ironing out all difficulties between the Kuomintang and Communist Party, would not restrict the activities of the Communist Party without its previous approval. Chin Pang-hsien, Communist member of the People's Political Council, was said to have been instructed by Yenan to withdraw from the special committee in anticipation of the adoption of measures prejudicial to the Communist Party.

Meanwhile, another *Domei* message from Hongkong stated that Yenan had issued a statement flatly opposing Chungking's attempts to bring the Sovietized frontier regions of Shensi, Kansu and Ninghsia under the authority of Gen. Chiang Kai-shek's administration. Describing the border regions as "politically the most advanced part of China," and an important base for China's racial and democratic revolution, the statement, according to *Domei*, attacked the "diehards, conservatives and reactionaries" who assailed thte Communist-administered region as constituting "feudal regionalism" established without legal basis.

Attack on Reds

The *Min Kuo Jih Pao*, described by *Domei* as the organ of the Chungking Government in Hongkong, was alleged to have made a scathing attack on the Communist Party on April 21. Quoting statements made by an unnamed member of the People's Political Council who recently returned to Hongkong from Chungking, the paper cited the "illegal existence" of the Northwest Border Communist Region and the unauthorized activities of the 8th Route Army as the source of conflict between Chungking and Yenan.

Referring to the Communist border region administration, the *Min Kuo Jih Pao* was quoted by *Domei* as having said: "Orders from the Central Government do not carry authority in this border area, while the Chinese Communist Party has submitted no reports to the Central authorities regarding its administration of the area. Consequently, the independence of this area is an indisputable fact. It is highly contradictory that this area, which is actually independent, should profess to be an integral part of the Chinese Republic or under the guidance of the Kuomintang Government's Executive Yuan. Herein lies the germ of all complications."

The Hongkong Chinese daily was also alleged to have charged the Communists with giving a special character to the 8th Route Army and the New Fourth Army. These two armies were described as forces led and organized by the Communist Party and therefore as armies of revolutionary internationalism. Defined thus, the paper pointed out, the two communist armies acquire a special status for themselves and are different from the Chinese national forces. "Thus," the paper remarked, "even in the united struggle against a foreign enemy, they will not restrain their party interests but on the contrary they will positively enhance their special character through independent action."

Chungking-Yunnan Friction

Fresh trouble between Chungking and Yunnan is alleged to be brewing, according to Wang Ching-wei's press service, the *China News Agency*. A dispatch from Chungking by the agency claimed that General Chiang Kai-shek, firmly determined to dislodge Gen. Lung Yun from his post as chairman of Yunnan Province, was attempting to induce him to go abroad on an "inspection" trip. The report also implicated Dr. Chiang Mong-lin, president of the National Peking University now quartered in Kunming, as being engaged in subversive activities against Gen. Lung in a concerted effort with Gen. Chiang.

The shortwave broadcast to the United States by the three "Soong Sisters," Mesdames Sun Yat-sen, Chiang Kai-shek and H. H. Kung on April 18 was described by the Japanese Embassy spokesman in Shanghai on April 19 as a piece of "ineffectual propaganda with little meaning." The spokesman ridiculed the portion of the broadcast which referred to the Chinese troops as being successful.

"My first noteworthy impression is that the Chinese Government and people have self-reliance, and that they are more confident than ever that they will win out in the long run," declared Dr. Paul Monore, well-known American educationalist of Columbia University, in a radio broadcast to America from Chungking on April 19.

Britain Said Throttling Industry of Japan

With Britain throttling the supply of raw materials to Japan, on the one hand, and alleged to be boosting her South American trade through State aid, on the other, Japanese business circles see increasing difficulties confronting the nation's industry, *Domei* reported from Tokyo on April 22.

A movement to urge the Government to take the necessary countermeasures was fast gaining ground as the realization grew in trading circles of the inevitability of a crisis if present conditions are allowed to continue.

Nickel from Canada, manganese ore from India, rubber and zinc from the Straits Settlements, and wool from Australia are being strictly rationed by the British authorities, who have also imposed a total ban on shipments of scrap iron from Australia, it was pointed out.

The restrictions on the purchase of such essential raw materials has begun seriously to affect Japan's trade, business men said.

Efforts to increase Britain's South American trade were being made parallel to endeavors to expand British business in the Near East through the granting of subsidies and credits, they charged.

Japan Enters Contract For Mexican Oil Products

The Laguna Petroleum Company, a subsidiary of Pacific Petroleum, which is believed to belong to the Mitsui interests, has signed a contract approaching U.S.$3,000,000 for the delivery to Japan of Mexican oil products, *United Press* reported from Mexico City on April 21. The contract calls for shipment from Mexico, in Japanese tankers, of 2,000,000 barrels of crude oil, 200,000 barrels of gasoline and 192,000 barrels of kerosene, all of which is being purchased at 30 cents per barrel less than the California price, the report said.

Hongkong to Ban Rent Increases During War

A Bill which would forbid the raising of rentals in Hongkong for the duration of the war, except in cases of new tenancy, has been prepared by the government of the British colony for presentation to the Legislative Assembly, *Reuter* reported April 22. Purpose of the measure, it was stated, is to prevent landlords from passing war taxes on to tenants.

Nantao Ricsha Pullers Strike Against Charges

Protesting against an increase in the charges for ricsha hire, 2,000 ricsha pullers in Nantao, southern section of Shanghai, struck work on April 22 and thereafter appealed for assistance to the Social Affairs Bureau of the puppet Shanghai Special Municipality, which has undertaken to mediate in the dispute between the pullers and ricsha owners.

WHERE ARE THE CHINESE LEADERS?

All are familiar with the hegira of millions of people from the coastal regions to the western provinces, but few are familiar with the whereabouts and activities of China's leading governmental, military, commercial and professional leaders who have been forced from their normal jobs and places of residence into the service of national defense or other work in distant places.

Vast Changes Since 1936

The last edition of **Who's Who in China** was published late in 1936, only a few months before the beginning of the Japanese invasion. Aside from a comparatively small number of business and professional men who were not directly affected by the conflict, almost every one else was drawn into the maelstrom. Three classes of public men and women have been greatly affected by the struggle—officials, military men and teachers.

SUPPLEMENT TO WHO'S WHO IN CHINA

This book, often described as the "most useful book in China," has been published biennually for the past twenty years. But it has been found difficult to republish the complete edition under prevailing conditions. Therefore, we have done the next best thing—published a supplement—containing the names, biographies and pictures of some 300 leaders, most of whom are involved in some phase of the war—in the Provincial Governments, the Cabinet or Yuans at Chungking, Diplomatic and Consular Services, Military Service, Party Work or Professional and Business Activities. There also are a considerable number of women in the book.

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5498	11384	25748	44341	47832	49344	59437	63160	81063	84729
96732	105292	109427	128666	130423	140618	164181	178882	186138	201951
232034	234995	236262	236887	249400	267771	267901	281435	289745	290316
293487	322475	331698	361355	373982	407385	407457	409012	413407	413796
415175	415198	420471	430790	433836	437651	453074	466133	469306	470469
480892	508483	513307	519075	527598	543693	546536	563248	570524	585141
595961	601832	605857	608942	616179	620352	634097	670949	676319	682651
689441	699479	713635	713806	717411	722367	732223	736975	769268	776085
777188	788592	798722	818236	828646	838130	841352	845950	846782	858537
876051	877617	887146	910678	927906	934306	944699	949441	986421	993149

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846	5100	8656	10284	17013	34956	37789	38110	52553	59292
85219	93785	104459	111478	140560	142642	145533	164348	165664	170409
181385	189678	207192	224707	228160	228676	245439	252252	265453	278076
293467	296433	319731	322292	344622	358020	359430	364544	398034	402390
406151	410281	410361	420038	423242	438601	446085	455247	459123	518263
526520	528025	537539	539963	560797	560961	582088	586583	587405	595749
619582	633133	644099	647462	648027	656677	657174	663624	666127	666692
678713	680599	712353	717744	728610	750370	762560	783413	788639	788797
820496	820625	825068	827098	827291	849299	861514	862454	879513	883223
890572	915948	931160	938663	942832	947127	953914	966271	988838	993072

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Danish Firms in Hongkong Seized; Pacific Commerce is Menaced

FOLLOWING up their seizure of Danish ships which happened to be in Hongkong harbor at the time Germany took control of Denmark, the Hongkong authorities seized branches of three Danish firms on Apr. 20. These were: The Great Northern Telegraph Company (which has a large establishment in Shanghai), the Northern Feather Works and the East Asiatic Company. They have been placed in the hands of the Custodian of Enemy Property, but will be permitted to continue their business, except with Denmark and other territories under German control, according to announcement in the Government Gazette.

The announcement went on to state that although Denmark is at present regarded as enemy territory, Danish nationals will not be treated as enemy subjects.

Two Danish freighters and one flying the Norwegian flag departed from Shanghai for Hongkong on April. 19, apparently in response to an order circulated by the British authorities calling upon all Danish and Norwegian ships along the China coast to proceed to the Colony. The ships are the Johanne Justesen and the Michael Jebsen, both Danish colliers, and the Norwegian freighter Wilford, belonging to Jabsen and Company. It is not at present known how many Danish and Norwegian ships are held in Hongkong.

Tokyo Seeks Clarification

The Japanese Government has requested Great Britain to define her stand as regards Danish and Norwegian ships now under charter to Japanese firms. Sixteen Scandinavian ships, including some of Swedish register, are now under Japanese charter in the Far East, it is understood. While Britain has been treating Danish ships as enemy property, her attitude towards Norwegian ships has not yet been clarified, although the British have brought pressure to bear on Norwegian vessels in neutral ports to proceed to British harbors, while some Norwegian vessels have been halted by British warships on the high seas and escorted to undisclosed destinations.

While awaiting clarification of the British attitude, two Norwegian ships under charter to the Toa Kisen Kaisha have been instructed to remain in Chinese ports for the time being. They are the s.s. Haiping, at Tsingtao, and the s.s. Haitung, which is at Tientsin. The Toa company ordered them not to leave port as they might be captured by Allied warships.

According to a *Reuter* report from New York on Apr. 20, the Danish Shipping Committee there has rejected a British request that Danish ships should transfer to Allied register or risk seizure by the Allies as enemy ships. The Committee, representing the major Danish lines, was formed at New York after the German seizure of Denmark to work out a common policy for Danish shipping outside Denmark.

Freight Rates Raised

The effect which the extension of the European war to Scandinavia has had on the Far Eastern shipping situation was intensified late last week when American steamship lines, apparently taking advantage of the reduction in the number of competing ships due to Allied seizures of Scandinavian vessels, decided to increase freight charges to and from the Far East by 50 per cent. This was according to a *Havas* dispatch from New York, which said that some 150 products, from automobiles to paper, would be affected by the increase, which will become effective next month.

Additional difficulties for sea-borne commerce in the Pacific were forecasted in a *Reuter* report from London on April 18 which said that energetic measures are to be taken by the Allies to prevent the passage of contraband across the Pacific to Soviet ports, en route to Germany. This contraband, it was stated, was being carried to the Soviet port of Vladivostok in large quantities by American, Japanese, Italian, Norwegian and Soviet ships.

Figures, now available, the *Reuter* report asserted, indicate clearly that an extraordinary increase in the volume of trade has been carried by the port of Vladivostok since the war. As all evidence points to the fact that the increase in this traffic is not only greater than the combined imports into all Soviet harbors before the war, but is also very much more than Soviet Russia needs for her own requirements, the conclusion is reached that imports on German account are being systematically conducted through this center.

U.S. Takes Action

In 1938, the United States exported no rubber or tin to Soviet Russia, no molybdenum was sent to her directly from the United States, and only 50 tons of copper changed hands, but in the period from September, 1939 to March, 1940 between 60,000 and 70,000 tons of copper, 6,000 tons of rubber, 2,000 tons of tin, 1,600 tons of aluminum, and 6,000,000 lbs. of molybdenum reached Russia from the United States.

Since last February, however, the United States has taken action to stop her exports of tin and rubber to Russia.

Large amounts of rubber and tin, in addition to those imported from the United States, come from the Dutch Indies. Much of these goods goes firstly to Mexico, and is then shipped to Vladivostok, the report declared.

Pearl River Opened—But Only a Crack

Materializing a Japanese announcement on the subject on Apr. 12, Canton and the Pearl River were reopened to general trade on Apr. 20 for the first time since Oct. 23, 1938, when the city was captured by the Japanese Army. For the time being, *Domei* reported, vessels allowed to call at Canton will be limited to two Japanese, one Portuguese and one British. The Japanese ships will be permitted to make eight round trips between Canton and Honkong every month, while the British vessel will be allowed four. Between Canton and Macao, Japanese ships will be allowed to make 14 round trips monthly and the Portuguese four.

Since the two Japanese ships can carry jointly only 300 tons of cargo on each trip, the British 1,000 tons and Portuguese 500 tons, the maximum quantity of trade in a month cannot exceed 9,000 tons. Lack of trade activity and shortage of harbor facilities due to Japanese military requirements, said *Domei*, were believed responsible for present restrictions. Unlimited trade would entail chaotic conditions due to an over-supply of imports and lack of balance between inbound and outbound cargoes, it was stated.

Hongkong shipping circles, according to *United Press*, took a caustic view of the "opening" of the Pearl River, labelling it an "empty gesture." The Japanese Consul-General in Hongkong declared, however, that Japan intends gradually to restore normal conditions on the Pearl River, with facilities being extended if the present arrangement works out satisfactorily.

Japanese Police Chief Selected for Hongkew

Mr. Hisao Furuya, chief of the political section of the Hokkaido Police Bureau, has been tentatively selected to join the Shanghai Municipal Police as divisional officer in charge of the newly-created "E" division which arose from the recent Hongkew policing agreement between the Japanese authorities and the Shanghai Municipal Council. The new divison embraces Hongkew, Kashing Road and Dixwell Road police precincts. Mr. Furuya, who is 37 years old, was graduated from Tokyo Imperial University and has served in several capacities in Tochigi, Yamagata, Miyagi and Kumamoto Prefectures with the Japanese Ministry of Interior.

Five Nippon Fishing Vessels Taken by Reds

Five Japanese fishing boats, ranging in size from 98 to 28 tons, have been seized by Soviet patrols while fishing on the high seas off Possiet Bay, *Domei* reported Apr. 20. The 68-ton Hokuyo Maru disappeared in that area on Apr. 15, the report said, while four others were machine-gunned by a Soviet patrol boat on the morning of Apr. 19 and then taken under escort to a Soviet port.

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Japanese Irked by P.I. Immigrant Quota

A bill to restrict immigration into the Philippines to an annual quota of 500 persons, and reported to have been adopted by the National Assembly in Manila (although it still has to pass the final reading), has aroused considerable opposition in Japan.

Mr. Yakichiro Suma, Japanese Foreign Office spokesman, said the Japanese Government had no objection to the application of an immigration quota to all nationalities without discrimination, as the bill provides, but said the Japanese would be the hardest hit if the quota of 500 were established, since during the past few years Japanese immigrants entering the Philippines had averaged 2,800 annually. He pointed out that large-scale economic enterprises had been undertaken by Japanese immigrants, especially in Mindanao, and with "outstanding success." An American commission which visited the Islands in 1938, he declared, had paid tribute to the contributions made by Japanese to the development of the Philippines.

Quota Too Small

In further statements, Mr. Suma declared that a quota of 500 immigrants a year would be too small to supply the requirements of large Japanese plantations in the Philippines, let alone the supply of hands to small Japanese farms (he did not state what the objection was, if any, to the employment of Filipino labor).

In yet another statement, Mr. Suma said that while he was serving as Councillor of the Japanese Embassy in Washington last year, he reached an understanding with Mr. Joseph Earle Jacobs, chief of the Far Eastern Division of the State Department, that Japanese would be exempt from the application of the proposed Philippine immigration law when it was presented to the National Assembly in Manila at last year's session. The bill was not presented, however, until this year and Mr. Morito Morishima, who succeeded Mr. Suma at Washington, protested against the measure when it was brought forward in the present session, pointing out that it did not conform to the terms of the Suma-Jacobs understanding.

The State Department, however, was understood to have ignored Mr. Morishima's representations on the ground that the bill was a domestic affair of the Philippines, but Japanese officials took the view that the United States was in part responsible, since both the State Department and the Department of Labor in Washington took part in drafting the measure which is now before the Philippine National Assembly.

80 Drowned in Szechwan When River Craft Sinks

More than 80 Chinese passengers were drowned when the steamer Ming Yung of the Ming Seng Company sank in the rapids of the Chialing River, north of Chungking, on Apr. 20, according to a *Reuter* report. Of the 150 passengers on board, only 60 were known to have been rescued.

Stern Action Against India is Threatened

STERN measures to cope with the civil disobedience movement in India, if it should be resorted to by the All-India National Congress in pursuance of a resolution adopted last week by the Congress Working Committee, were threatened in the House of Commons on Apr. 18 by Sir Hugh O'Neill, Under-Secretary of State for India, in the course of a debate on a proposal to extend the time-limit of proclamations giving executive authority to Governors of those Indian provinces where Congress ministries have resigned as a protest against British policy.

"His Majesty' Government," Sir Hugh declared, "cannot, of course, accept the Congress demand for complete independence. They note with profound regret the rejection by Congress of Dominion status" (promised after the end of the war). Ordered government must be carried out in India, he continued, especially in time of war, and full measures would be taken to counteract a civil disobedience movement.

The resolution of the Congress Working Committee called on Congress committees throughout India to prepare for Satyagraha (civil disobedience). It asked Congress members who were unable to shoulder the burden of the struggle under the disciplined guidance of Congress to resign executive positions, and emphasized the need for fulfilling Mr. Gandhi's conditions for a civil disobedience campaign, the principal one of which is that the campaign shall be conducted without violence on the part of the Indian people.

Three persons were killed and 50, including four policemen, were wounded in clashes at Lucknow, British India, last week-end, according to press reports. According to the British version, the trouble arose from a dispute between two Mohammedan sects, but the German *Transocean* agency said that demonstrators had been fired on by the police. Curfew was clamped down on the city.

British Dockyards Tied Up by Local Strikes

About 900 workers at the International Dock in Pootung, a subsidiary of Shanghai Dockyards, Ltd., went on strike Apr. 18 for higher pay and increased rice allowance, thus joining 600 men of the Yangtszepoo dockyard, of the same company, who struck work on Mar. 12 after failing to secure satisfaction of similar demands. All work at local British dockyards is now at a standstill and no repair facilities are available there for ships calling at this port.

A sit-down strike at the plant of the Shanghai Gas Company, with some of the clerical staff joining in, took place on Apr. 17. After a few hours, the strikers agreed to resume their jobs pending the outcome of negotiations between their representatives and the management. They are also demanding more pay and bigger rice allowances.

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Aluminum Coins Make Their Appearance Here

Aluminum coins of five and one-cent denomination were placed in circulation in Shanghai recently to relieve the acute shortage of subsidiary currency. The coins are being circulated from the Chinese government banks and the Hongkong and Shanghai Banking Corporation to supplement the supply of one-cent and five-cent notes which have been in circulation for some time, but which, due to excessive handling, have become worn to a point at which they are almost unuseable. Although the new coins are light (and in the case of the one-cent piece so small as to resemble a shirt button), it has been stated officially that they are fully backed by a cash reserve.

The New Coins

At left are the two sides of the one-cent aluminum coin. The larger coin is the five-cent piece.

Japanese to Attempt Treasure Ship Salvage

An attempt to raise the British liner Nile, which sank 25 years ago off Kamiseki, Yamaguchi Prefecture, will be started this month by the Asia Salvage Company of Tokyo, *Domei* reported Apr. 15. When the ill-fated vessel went down a quarter of a century ago, she was laden with a cargo of jewels and gold. High tides and the great depth of the water in which the vessel sank have frustrated previous attempts at salvage. Local fishermen are to co-operate with the salvage company.

Huge Sum Needed For China Relief

A total of US$1,200,000 is needed for this year's war relief work in China, according to a statement issued by the War Relief Committee of the National Christian Council. This statement is endorsed by the American Advisory Committee, and also by officials of the British Fund for Relief in China.

Of the total amount, US$360,000 is needed for relief in North China. West China should have US$416,000. The remaining US$424,000 is required to meet demands in the rest of China, including the occupied areas.

The desire in England to continue the relief fund in China, was substantiated by a contribution of £6,000, during September to December last year, declared Dr. Ronald Rees, the British Secretary of the National Christian Council. Dr. Rees also serves on the Central Executive Committee of the British Fund for Relief in China. He has received a letter from London, which promises that donations of £400 weekly for the Relief Fund would continue to be sent.

The British Fund for Relief in China some time ago sent £10,000 to North China for flood relief, and another £10,000 to Hongkong, for allocation in southwest China. Other grants recently made, included sums to the Chinese Red Cross, and to Chinese industrial cooperatives in Chungking.

In addition, a large quantity of quinine and other medical supplies have been placed at the disposal of the International Red Cross at Kweiyang.

French Ask 5 Germans To Leave Concession

Five German residents of the French Concession in Shanghai were given "friendly advice" to move out last week because they were alleged to have engaged in "anti-French activities." Among them were Dr. Hans Guhl of the German Commercial Agency, Dr. Hans Harms of the scientific and advertising department of the Merck Chemical Company, W. Haeusing, German manufacturers' agent, and another German businessman. The name of the fifth "undesirable" was not disclosed.

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Golden Gate Fair Reopening on May 25

The Golden Gate International Exposition on Treasure Island, in San Francisco Bay, is scheduled to reopen on May 25 with more than U.S.$2,000,000 worth of shows all primed for their premieres, the Press Division of the huge undertaking announced Mar. 25.

A. L. Vollman's "America, Cavalcade of a Nation," will be produced at a cost in excess of $425,000. Reconstruction of the vast outdoor stage alone will cost $100,000 and the production figures approximate $325,000. The Cavalcade is an historic epic, the greatest ever conceived by Vollman. Billy Rose will spend more then $600,000 on his Aquacade production in which 250 persons will be featured in swimming dancing and singing numbers. Cost of building a tank in International Hall and of rounding up the show will run above $250,000, Rose said; an additional $350,000 will be spent on operating and maintaining the show.

Clifford C. Fischer's New Folies Bergere, by far his most extravagant production, will be worth some $350,000 from start to finish. The initial cost of production will run over $100,000. Fischer will assemble his most beauteous talent, his most startling acts for the Treasure Island presentation of a Folies which will outdo either of his last year's efforts. A fourth major entertainment feature will be Salici's puppets. At a cost exceeding $50,000 puppets which have been in the Salici family for more than 200 years and through five generations will be brought into the Hall of Western States Auditorium.

Breaking all precedent, Japan, which never before agreed to repeated participation in a World's Fair, will re-open its $1,000,000 pavilion with an entirely new series of displays. Japanese exhibits are being prepared and will soon be shipped to Treasure Island, according to Consul-General Toshito Satow, in San Francisco, who again will serve as Japanese Commissioner-General to the Exposition.

5-Day Syphilis Cure Discovered in U.S.

A five-day treatment for syphilis which renders the disease non-communicable, with a cure by the end of that period, was described at a meeting of 200 American public health officials at the Mount Sinai Hospital, New York, on Apr. 13, according to a *United Press* report. Arsenoxide, which is an arsenic compound, is injected into the blood-stream. More than 85 per cent of the syphilitic patients treated experimentally with the compound were completely cured within five days, while the remainder were healed after continued treatments, the report said, adding that doctors hailed the new treatment as the most important development in medicine since the discovery of salvarsan.

U.S. Purchase of Greenland Proposed

A proposal that the United States Government purchase Greenland from Denmark for U.S.$40,000,000 was introduced in the House of Representatives by Mr. Hamilton Fish, Republican Representative of New York, on Apr. 18. Mrs. Edith Rogers, Republican Representative of Massachusetts, earlier told the House that "we should warn Germany and others against seizing Greenland."

President Roosevelt declined to comment on the purchase proposal, but told his press conference that the American Red Cross had been instructed to look after Greenland's 17,000 inhabitants in the event that supplies should be cut off due to the war. The island, he said, was much more closely connected with the American continent than with Europe.

Another proposal envisaging the acquisition of foreign territory by the United States came before the U.S. Senate on Apr. 12, when Senator Robert R. Reynolds, Democrat of North Carolina, brought in a resolution which would empower the President to conduct negotiations with France for cession of French islands in part payment of France's unliquidated war debts to the United States. The resolution specified the islands of Martinique and Guadeloupe in the Caribbean and St. Pierre and Miquelon off Newfoundland.

Cotton-Loaded Ship Destroyed by Fire

Loaded with cotton and food products that could not be removed for lack of Customs manifests, the s.s. Data, a Portuguese vessel recently seized and appropriated by a Japanese firm here, was destroyed by fire on the morning of Apr. 20 at anchorage off the T.K.K. Wharf in Pootung. Interviews with the crew revealed that the cargo had not been manifested at points of origin, apparently because a Japanese agent of the charterer had taken the ship out before her scheduled sailing time. Spontaneous combustion was believed to be the cause of the blaze, which lasted seven hours. Hoping later to salvage the hulk and part of the cargo, firemen punctured the ship's bottom, causing it to settle on the bottom of the Whangpoo.

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Outstanding Events in the Sino-Japanese War A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th (1937) issue of The Review.

March 26

Japanese forces at Lingshan, strategic point on the Kwangtung-Kwangsi border, said retreating in a westerly direction in three columns, according to Chinese field dispatches.

Chinese victories in Wuyuan (Suiyuan) and Lingshan celebrated in Chungking.

Tan Kah-kee, prominent Chinese industrialist of Singapore, arrived at Chungking, heading a delegation of overseas Chinese representatives, whose mission is reportedly to offer a large cash contribution to the government and to comfort Chinese troops at the fronts.

In an editorial entitled "The Traitor, Wang Ching-wei, Japan's Puppet in China." the **New York Daily News** said that Wang's new Nanking "Government" can last only so long as it is upheld by Japanese bayonets.

⁂

March 27

Lt.-Gen. Mizogawa, Commander-in-Chief of Japanese Forces in western Suiyuan, reported killed in action on the night of March 22, when Chinese troops recaptured Wuyuan. Japanese casualties in western Suiyuan between March 18 and 22 estimated at 3,400.

Severe battles still in progress between Japanese and Chinese troops on the shores of the Wuchia river, northeast of Wuyuan in Suiyuan. Japanese troops, counter-attacking Chinese positions, were meeting with stiff Chinese resistance.

Japanese military spokesman in Peiping claimed Japanese forces reoccupied Wuyuan on March 26.

Japanese servicemen were engaged in wholesale looting operations in the Wayside district during the months following the Sino-Japanese hostilities in the Shanghai zone in 1937. This was the gist of testimony given by Superintendent Richard J. Benett of the Shanghai Municipal Police at the United States Courts for China in the case of the Hwa Tung Electrical and Engineering Company versus the Home Insurance Company, an American concern.

Domei reported from Rome that Italy would recognize the Wang Ching-wei regime immediately after its establishment, and that Spain would follow suit a week later. Attitude of Germany said uncertain.

Six million inhabitants of central Hopei are facing starvation as a result of last summer's floods, **United Press** reported from Chungking quoting representatives from the flooded areas.

⁂

March 28

Japanese troops were savagely counter-attacking Chinese forces in western Suiyuan; the Japanese spearhead only 10 miles northeast of Wuyuan yesterday, said a Chinese military spokesman in Chungking.

Recapture on March 22 by Chinese forces of Lingshan, important point in Kwangtung near the Kwangsi border, was confirmed by Chinese military spokesman in Chungking. Japanese troops retreated westward in three columns; one column went towards Nanning, which the other columns were retreating to points on the Yamchow-Nanning highway.

Sir Robert Craigie, British Ambassador to Japan, in a speech delivered yesterday before the Japan-British Society in Tokyo, said that Japan had been "misrepresented and villified" in China. He added that Anglo-Japanese relations were improving.

⁂

March 29

Branding Wang Ching-wei as a "traitor under death sentence" and urging all responsible government organizations to arrest him, President Lin Sen of the National Government in Chungking declared that China would continue to struggle to protect her national integrity. "As long as our goal is not reached," he asserted, "our struggle will not cease."

Anti-Wang Ching-wei pamphlets distributed in Shanghai asking shops and factories to close tomorrow, date set by Wang for the "inauguration" of his puppet government in Nanking.

The "inauguration train" from Shanghai for Nanking, packed with high Japanese and Chinese officials and foreign correspondents, was derailed this morning near Nanking by Chinese guerillas. A large number of persons were injured, but none seriously.

Gen. Li Yung, Chairman of Sinkiang, died on March 21, it was officially reported in Chungking.

Heavy fighting still continuing in Wuyuan, west Suiyuan. Chinese troops stated attacking Paotow for the purpose of threatening the Japanese rear.

Serious fighting also proceeding in Kwangsi. Japanese forces stated to have advanced westward on March 26, converging in two columns on Funan city, southwest of Nanning.

Thirteen subsidiary companies of the Japanese Central China Development Company now operating in various fields in Central China, Kenji Kodama, company president, said in Tokyo yesterday.

Henri Cosme, the French Ambassador to China, who had been in Chungking for the past several months, left by air the Hanoi.

⁂

March 30

The Japanese-sponsored puppet Chinese government headed by Wang Ching-wei inaugurated at Nanking with Wang as acting president. Wang described the inauguration of his regime as "the return of the National Government" to its former capital in Nanking. He labelled the National Government at Chungking as a "regional refugee regime."

The puppet Nanking regime issued a proclamation declaring that hereafter it would refuse to recognize any treaty or agreement signed between Chungking and foreign powers and that its two major policies internally would be realization of peace and enforcement of constitutional government.

The Japanese Government announced that it would give wholehearted support to the Wang Ching-wei government and expressed the hope that the world powers would recognize this fact and aid in the realization of peace in East Asia.

The Peiping "Provisional Government" and the Nanking "Reformed Government" announced their abolition simultaneously. The Peiping regime replaced by the "North China Political Affairs Commission" with Wang Keh-min remaining as the head of the organization. The change really was in nothing but name.

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The National Government at Chungking addressed identic notes to all foreign Powers emphasizing that the new regime at Nanking under Wang Ching-wei was an illegal organization and therefore its acts must be considered null and void. The Powers were urged not to accord it **de jure** or **de facto** recognition.

Simultaneously the National Government issued a mandate ordering the arrest and publishment of all persons who have joined the Japanese and rebelled against the state. Headed by Wang Ching-wei, the list of the proscribed persons totals 105.

Condemning acts of aggression which rob peoples of their political independence, the Secretary of State Cordell Hull declared that the United States would not recognize the Nanking Government of Wang Ching-wei. Mr. Hull added: "The United States, of course, continues to recognize the Chungking Government as the Government of China ....which still has the allegiance and support of the great majority of the Chinese people."

Twenty two Chinese diplomats stationed abroad cabled a joint message to President Lin Sen and Gen. Chiang Kai-shek denouncing the Wang Chin-wei regime in Nanking. The message charged Wang with establishing a "bogus government" and declared that the "peace and neighborly policy of the Nanking regime is tantamount to the surrender of China's vital rights to Japan."

Tao Hsi-sheng, former follower of Wang Ching-wei, who defected sometime ago after exposing the alleged Wang-Japanese secret agreement, sent a message of condelence to his two former associates, Chou Fu-hai and Mei Szu-ping, leading members of the Wang Nanking regime, saying, "I am sorry for your enslaved life hereafter at Nanking."

The speech made in Tokyo by Sir Robert Craigie, British Ambassador to Japan, on March 27 has caused the most painful impression in official circles in Washington and comment on it ranges from the indignant to the bitter, **Reuter** reported from Washington. Some circles forecast that Britain is preparing to "put over a Far Eastern Munich" which will nullify all what America has done to curb Japan's violation of China's sovereignty.

"No Deal With Japan" urged the London **News Chronicle.** "Japan's work in China has been vile," said the paper, adding that "If we now tried to buy the aggressor's support by deserting General Chiang Kai-shek and recognizing the puppet Wang "government," we should be making nonsense of all our pretensions about standing up to aggression."

⁂

March 31

Official circles in Chungking regarded the Hull statement refusing America's recognition to the Wang Ching-wei regime as an expression of "definite friendship" shown by the United States towards the Chinese people.

Senator Key Pittman, Chairman of the U.S. Senate Foreign Relations Committee, gave unreserved support to Secretary of State Hull's assertion that the United States would not recognize the Wang Ching-wei government in China. The government set up in Nanking is not a Chinese government but a puppet government similar to that of "Manchukuo," Senator Pittman pointed out.

Foreign Minister Wang Chung-hui hailed the reiteration of the American doctrine of non-recognition of any situation brought about by force, which was made yesterday by Secretary of State Cordell Hull; said Mr. Hull's statement "should make the Japanese militarists realize the futility of carrying out their plans for the domination of Asia and the Pacific."

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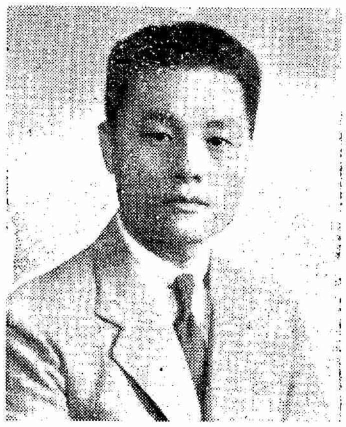
Who's Who in China

Peter S. Yang, chemist and pharmacist; born at Kityang, Kwangtung, Aug. 15, 1900; B.A. Columbia College, Iowa, U.S.A., 1926; M.S. University of Notre Dame, Indiana, 1928; Ph.D. University of Chicago, 1931; demonstrator in chemistry, University of Chicago, 1930-31; International Research Fellow, Rockerfeller Institute for Medical Research, New York, 1931-33; Associate, Peiping Union Medical College, 1933-35; Research Fellow and Head of Division of Chemical Products, National Research Institute of Chemistry, Academia Sinica, 1935-38; Director, Yang's Chemotherapeutic Institute, Shanghai, since 1939; Supervisor, Sine Laboratory Co., Ltd., Shanghai, since 1939; author of research works on Amino Acids, Polypeptides and Proteins, Fatty Acids of the Brain, Enzymes, Organo-Arsenic and Organo-Antimonial Compounds, and Synthetic Drugs—published in the *Journal of American Chemical Society* and the *Journal of Biological Chemistry*, U.S.A.; address: Sine Laboratory Co., Ltd., 20 Rue Massent, Shanghai, or 1265 Yu Yuen Road, Shanghai.



楊樹勳 字 建吾

Peter S. Yang (Yang Shu-hsun)

Recognition of the Nanking regime of Wang Ching-wei by third powers will become "unavoidable," declared Japanese Foreign Minister Hachire Arita, who said, "We should endeavor to create a situation where the Powers will be unable not to extend recognition, regardless of whether they want to or not."

Officially confirmed in Chungking that a movement is now going in Free China to collect a fund for the assassination of Wang Ching-wei. The movement said nation-wide in scope, particularly already widespread in Fukien province.

"One of the chief aims of the present war of resistance is the recovery of Manchuria," said the **Yi Shih Pao** (formerly published in Tientsin) in Chungking in a special article entitled "Manchuria is China's Life-Line."

Japanese troops which captured Funan, a city southwest of Nanning on March 29, have been driven back to Nanning, according to Chinese field dispatches received at Chungking from the Kwangsi front.

Chinese troops yesterday recaptured Huaiyang, 30 miles southeast of Kaifeng, Honan Province.

Men and Events

M. Henri Cosme, French Ambassador to China, who has been in Chungking for several weeks, returned to Shanghai this week.

*

Lieut.-General Kumakichi Harada, who served as high adviser to the late Reformed Government at Nanking, has returned to Japan. According to *Domei*, Gen. Harada "has been appointed to a new unrevealed post."

*

The Netherlands Government has appointed M. Bijlandt minister to China, in succession to M. de Vos van Steenwijk. The new Minister was previously Charge d'Affaires in Egypt.

*

The number of Japanese who have flocked to North China since the outbreak of the "incident" number 350,000, according to an article in the Tokyo *Hochi*. This is 12 times the number previously resident in that region, according to the report.

*

The Navy Department at Washington, on April 21 announced the appointment of Capt. G. J. McMillan as Governor of Guam, in succession to Capt. J. T. Alexander, who has served as Governor since 1938.

*

Woo Sing, proprietor of a night club in Reno, Nevada, two other Chinese, and a number of Americans were arrested and convicted early in March for operating a narcotic ring. Woo Sing was said to be head of the organization which dispensed narcotics, chiefly cocaine, to high school students and rich divorcees residing in Reno.

*

"Story of Gold Mining," was the title of a talking motion picture exhibited at the hall of the Royal Asiatic Society and the International Institute of China, 20 Museum Road, on Thursday, April 22, 5:30 p.m. The program was in charge of Richard S. Hubert of the staff of the Canadian Pacific Railway and Steamship Services in Shanghai.

*

W. D. Pawley, president of Intercontinent Aviation Corporation, New York, has offered several prizes for the best essays dealing with the Far Eastern situation. The subject will be concerned with the maintenance of the Nine-Power Treaty or a similar topic. The competition will be open to all college and university students in the United States. The prizes will be U.S.$3,000, first prize; U.S.$1,500, second prize; U.S.$500, third prize and five prizes of U.S.$100 each.

*

J. M. Zirinsky, manager and chief stockholder of the United Paper Company of Shanghai, died on April 12 of peritonitis. He was 48 years of age and is survived by his wife and a son and daughter. The son and daughter are now studying at Hongkong University. Mr. Zirinsky came to Shanghai ten years ago as a Russian emigrant from Vladivostok. He became a leader in the Shanghai paper trade and aside from his business activities was active in Jewish charitable work.

C. V. Starr, head of the American Asiatic Underwriters, and president of *The Shanghai Evening Post*, who has been in New York for several months, will return to Shanghai shortly. In an interview with *United Press* at Honolulu on April 12 Mr. Starr said that Japan "would refrain from any moves against the East Indies and Indo-China only as long as France and England were able to retard Germany."

*

Agnes Smedley, American relief worker and writer, who has resided in the interior provinces for many months, arrived in the Chinese national capital at Chungking on April 18. Miss Smedley was ill as a result of her strenuous work, according to the report. Since her departure from Hankow in 1938, Miss Smedley has travelled with medical units attached to the New 4th Army and with guerrilla detachments in Anhwei and Kiangsu provinces.

*

The engine of the Wenchow, Chekiang, electric light works, blew up on April 1 and so seriously damaged the plant that the city was left in darkness until quite recently. According to a correspondent of *The Shanghai Times* the explosion of the engine resulted in the death of the chief engineer. The explosion was so severe that the engine flywheel went through the roof of the building. Most of the machinery in the plant was of German make but it was hoped to obtain American machinery to repair the damaged parts. The loss caused by the explosion was estimated at $200,000.

Frank P. Lockhart, Counsellor of the U.S. Embassy in Peiping, who recently was appointed Consul-General at Shanghai, will return to Washington for a visit of about four months prior to returning to Shanghai to assume his post. He will proceed to Japan shortly and embark on the President Coolidge about May 16 and will return to Shanghai on the same ship about Sept. 1. Richard P. Butrick, Consul, will serve as Consul-General pending Mr. Lockhart's return. David C. Berger, formerly U.S. Consul at Tientsin, has taken over the post of Executive Consul here, formerly held by Mr. Butrick. It is thought that Mr. Lockhart's post at Peiping may be taken over by Robert L. Smyth, First Secretary at Peiping, or by John K. Caldwell, Consul-General at Tientsin.

*

The war on the movie front becomes more bitter: Two weeks ago the Nazis exhibited a new film in Berlin which was prepared (*Transocean* report) with the object of frightening the people of Great Britain and France. The film dealt chiefly with the German occupation of Poland. On March 25 there was exhibited in London a new American-made film entitled, "Hitler—Beast of Berlin." The title was an echo of a famous propaganda film in the first World War, which was entitled, "Kaiser—Beast of Berlin." The present film is not concerned with Hitler personally, but deals chiefly with the "revolting Nazi system, horrors of concentration camps and the strivings of German workers for freedom from Nazi restraint."

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A former Japanese resident of California, whose name was not given, was quoted by *Domei* as stating that 600 Japanese families in California "were dissatisfied at living so far from home, and were planning to go to Manchukuo and China to engage in farming." The *Domei* report stated there was a growing desire among Japanese residents of the United States to return to East Asia. The expiration of the 1911 trade treaty had greatly stimulated this movement, according to the report.

*

The *Kokumin Shimbun*, leading Tokyo newspaper, published a dispatch from its correspondent in Hongkong on April 5 alleging that an airplane factory was being constructed at Sontai, French Indo-China, which will supply planes "not only to French Indo-China, but also to Thailand and the National Government at Chungking." The dispatch also alleged that the authorities of Indo-China had concluded an agreement with General Chiang Kai-shek whereby the Chinese authorities would supply planes to Indo-China in exchange for Indo-China's agreement to permit supplies to proceed to Chinese territory over the Yunnan Railway. The correspondent of the Japanese paper claimed that air-defense activities in Indo-China had become "quite feverish," and that air-defense corps had been set up throughout the country.

*

The American branch of the German Bausch and Lomb Optical Company of Rochester, N.Y., and the Carl Zeiss Company of Germany, were indicted in New York by Federal Grand Jury on March 27. They were charged with "dividing the world between them" for the sale of military and optical. instruments, thus restraining trade in violation of American anti-trust laws." The U.S. Attorney, Mr. Izeks, charged that the companies had made a secret agreement in 1921 whereby the American branch of Bausch and Lomb, an American corporation, was given the United States, while the Zeiss concern was given the rest of the world. As a result of this deal the American company refused to sell periscopes, range-finders, gun-sights, bomb-sights, to American shipyards building for foreign governments, unless the German firm gave its consent. The U.S. company was also charged with maintaining high prices.

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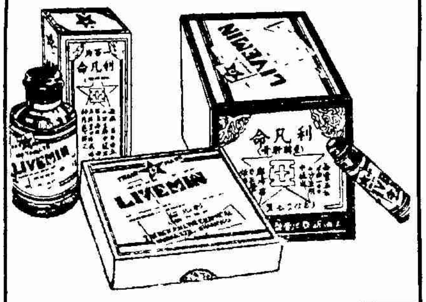

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Brooks Emeny, director of the Cleveland Council of Foreign Relations and Professor at Western Reserve University, arrived in Shanghai several days ago on a tour of investigation in the Far East, which includes visits to China, Japan and the Philippines.

*

Mr. and Mrs. Julean Arnold were hosts at their home, 10 Route Winling, on Wednesday, April 17, at a reception for Mr. and Mrs. A. Bland Calder, who recently returned to Shanghai from furlough in the United States. Mr. Calder is assistant U. S. Commercial Attache in China.

*

K. P. Chen, head of the Chinese Financial and Purchasing Mission in the United States, made a farewell call on Secretary of State Cordell Hull on April 20, prior to Mr. Chen's departure from Washington on his return voyage to China. Following the interview, Mr. Chen stated that all goods purchased with the original loan of U.S.$25,000,000 had reached China and that a large portion of the credit had been repaid. The second credit loan for U.S.$25,000,000 will be used for similar purposes, Mr. Chen stated. He will return to the United States in the autumn.

*

Kuling, famous Chinese and missionary summer resort, located in the mountains near Kiukiang on the Yangtsze, probably will not be reopened this summer, according to report from Hankow. The place was closed and the foreigners forced to evacuate when the Japanese occupied the property last year. The Hankow report stated that it would be practically impossible to transport materials up the mountain because of shortage of labor, and in addition "there would be a shortage of food, fuel and a hundred and one everyday necessities."

*

Wilbur Judd, secretary of the Navy Y.M.C.A., and Mrs. Judd, will depart shortly for Chefoo for the summer and thereafter will return to the United States. Mr. Judd will be connected with headquarters of the Army and Navy Y. in the U. S. in future. While in Shanghai Mr. Judd has been active in community affairs, serving as secretary of the two leading American advisory committees on civilian relief in China. He recently served as chairman of the American campaign committee in the local municipal election and was largely responsible for getting out a "100% American vote."

According to the Tokyo *Miyako* the Japanese Government has decided to offer prizes, to be known as the "Child Treasure Prizes," to all families in Japan having 10 or more children. The prize offer for large families is part of the "population replenishment" program decided upon last year when the slump in the birthrate first became apparent.

*

Earl H. Leaf, former manager of United Press bureau in Tientsin and member of the staff at Shanghai, was married on Friday, March 4, to Miss Nancy Jane Jewett, daughter of Mr. and Mrs. Bert N. Jewett of Portland, Oregon. Mr. and Mrs. Leaf will reside at 24, Fifth Avenue, New York City. Mr. Leaf is now director of publicity for the Chinese National Government in the United States.

*

The police authorities in Japan announced on April 1 that all tourists departing from Japan for Manchukuo and China would be compelled to file a declaration and application for export of all gold articles in their possession. Previously only a verbal statement was necessary. In future no one will be permitted, except for very special reasons, to carry such articles as gold watches, chains, rings, ear rings or other articles of jewelry. They may, however, be permitted to carry fountain pens. Nothing was said about gold teeth. Travellers also will not be allowed to carry more than Yen. 500 and no Yen. 100 notes may be taken from the country. The object of the new regulations is to prevent Japanese subjects, or others from disposing of gold objects which the Government desires to retain in the country.

*

Supporters of Bertrand Russell, British philosopher and mathematician, have decided to make a legal fight to prevent him from being ousted from the position of professor at City College, New York. Prof. Russell, who is now lecturing at the University of California at Los Angeles, was appointed professor at City College, but was prevented from assuming his position by a ruling of Supreme Court Justice John E. McGeehan, who charged that Prof. Russell was a "propagandist against religion and morality." Justice McGeehan's decision resulted from an action instituted by the mother of one of the students who claimed that Prof. Russell once had been an advocate of "trial marriage." Prof. Russell once lectured in China for several months.

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New Books of Interest in the Far East

The Nazi Spy System

ARMIES OF SPIES — By Joseph Gollomb, MacMillan Company, New York, 1939, 213 pp. Price, U.S.$2.50.

"Were Mata Hari in the flesh again, glamorous and at her best, she would be a spy as old-fashioned as a car of her day compared with its current model, as innocuous as a coupe in collision with a high-speed army tank. For one thing, more than twenty years of furious development have scrapped the types of dictaphones, midget cameras, radios, optical instruments, sensitized surfaces, invisible inks, chemical reagents photoelectric devices, and a thousand and one other gadgets used in the World War."

The author, who claims to be the only American journalist who has been given access to Scotland Yard, the secret services and detective schools of France, republican Germany, Austria, Italy, and the police department archives of New York and Chicago, justifies this opening paragraph of his book by an array of facts and figures tending to prove that the modern dictator of today employs armies of spies in an espionage system so vast that the work of an individual is an infinitesimal cog in the juggernaut machine which paves the way for military invasion.

Although the book touches briefly on the spy systems of several countries, *Armies of Spies* is chiefly concerned with the super-espionage system evolved in Germany under Hitler. Modern espionage has so changed, the author points out, that it is now "combatant secret service."

"How much has Hitler had to do with this change?" he asks, and continues; "Consider some figures. In 1932, the year before Hitler took over Germany officially, there were seven espionage trials in France. In 1937, four years after he took power, the number of espionage trials in France multiplied more than twentyfold, to 148. In the forty (sic) years between the outbreak of the Franco-Prussian War and 1930, fewer than 1,900 spies were caught in all major countries of the world put together, and this includes the World War. In the ensuing eighteen years the number of spies caught in the same countries was twenty-two times as many as in the forty years preceding."

The elite of Germany's army of spies, the author tells us, are trained in a system of schools inaugurated in 1934 and headed by Heidrich. Admission involves considerable selection. No pupil over thirty years of age is admitted.

German spies are of three principal categories, designated as "termites," "torpedoes," and "harbor service." The termites confine themselves to psychological work and might be termed advance guard. They encourage disaffected individuals and groups, organizations and inflammable minorities. They spread rumors that gnaw at a nation's credit structure, whispering campaigns against banks and on stock exchanges. They distribute printed matter of all kinds and photographs that have either been specially staged or bear captions that do the work of disseminating despair. They subsidize newspapers with advertisements, copy or outright cash. They try to do the same with radio and newsreels.

From two to eighteen months after the "termites" begin their work the "torpedoes" move in. The character of their work is physical, not psychological. They concentrate on key industries, lines of communication and transport, ammunition works and arsenals, mines, and stored supplies of raw materials and manufactured goods. Numerically small but a disproportionately effective section of the "torpedo" army is the bacteriological corps.

Harbor service, a category peculiar to the German spy system, was first confined to such harbors as New York, London, Petrograd, Marseilles and Rio de Janeiro. Now the same work is done in such inland capitals as Madrid, Vienna, Paris and Prague. This service concerns itself with individuals who come and go on German ships, air lines or other modes of transport.

In his final chapter, the author describes some of the activities of the German-American Bund in the United States. Although he discounts the effectiveness of German propaganda work in America, he sounds this note of warning in his concluding paragraph: "An honest appraisal must show that compared to the dominant body of sentiment in the United States the growth of totalitarian sentiment here is yet small. But it

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April, 1940 Vol. X. No. 4

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Huxley Finds God *By Emily Hahn*
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is a growth and it is malignant. The question, therefore, for the American body politic—as for the human body—must be: Is there such a thing as a *small* malignant growth?" But of course this book was written before Germany's invasion of Poland, Denmark and Norway, which has probably for the time being at least destroyed every vestige of pro-totalitarian sentiment that might have been engendered in previous months or years by Hitler's espionage agents in the United States.

V. K.

Orientals in Canada

THE JAPANESE CANADIANS—By Charles H. Young and Helen R. Y. Reid, with a second part on Oriental Standards of Living by W. A. Carrothers. Edited by H. A. Innis. Toronto, Canada, The University of Toronto Press, 1938. 295 pages, index, cloth. Price, U.S.$2.25.

The first part of this book is the result of work carried out under the auspices of the National Committee for Mental Hygiene in Canada. It continues the work of the Committee begun among the Ukrainian Canadians by Mr. Young under the direction of Miss Reid. For this present study of the Japanese Canadians extensive work was done in British Columbia by Mr. Young. The second part of the book is part of an inquiry into standards and costs of living in Pacific countries. This international research series was initiated by the Institute of Pacific Relations at its fifth conference, held in Banff in 1933. Reports have been printed, or are in course of investigation, relating to New Zealand, Hawaii, the Philippines, areas in China (near the cities of Canton, Swatow, Amoy) and Australia. For this Canadian study the Canadian Institute of International Affairs has cooperated with the Institute of Pacific Relations. Although the first section deals primarily with Japanese settlers in Canada, the second section includes the Chinese.

This book presents a survey of the factors which led to Chinese and Japanese immigration, the different influences which led to a dominant migration of males in the case of the Chinese, to the endurance of a low standard of living and other conditions which have obtained. The evidence seems to show that at present standards of living of Orientals in British Columbia are lower than those of the white settlers, and that standards of living of the Chinese are lower than those of the Japanese.

The reason for the latter is suggested by the relative living standards in their home countries, the slower change of Chinese standards in Canada due to the relative absence of Chinese families, and the relative effectiveness of Japanese family and community organization. This seems to be borne out by the statistical evidence collected.

The editor says: "The struggle between China and Japan is by no means restricted to the continent of Asia and has its implications for domestic problems in Canada."

The first study in the book presents Japanese-Canadian society as a marginal culture, with its roots in the homeland and its structure and content increasingly modified by contact with the environment of the new world. Of particular interest are the problems of first and second generation Japanese, not only in relation to Canada, but also in relation to one another.

A generous inclusion of photographs, maps, statistical tables and a bibliography makes this book extremely useful on the subjects which are presented.

F. M. R.

Shanghai Seamen's Mission Has no Home

The Mission to Seamen in Shanghai is virtually extinct, having no premises. This announcement was made at the annual meeting of the Mission held Apr. 18 at Church House in the precincts of Holy Trinity Cathedral. The Mission, it was stated, had to vacate its headquarters on Canton Road due to increased rental which it was unable to pay. Formerly the Mission was located at the Hanbury Institute in Hongkew. Dean Trivett reported, however, that those premises had been closed last summer and since had been thoroughly looted, even the stairway being torn up and the woodwork removed from the ceiling. The Mission had leased the premises to Liddell & Co. for $50 a month.

NOTICE!

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